

Price of coffee likely to rise by 50-70 per cent

Jerusalem Post Reporter

The Public Price Committee is expected to meet today to approve a rise of 50 to 70 per cent in the price of coffee. The coffee producers, *The Jerusalem Post* learned, had asked for an increase of 100 per cent. But the committee intends to approve an increase of 60 to 70 per cent for roasted coffee and about 50 per cent for instant coffee.

Lebanese minister holds talks in Syria

BEIRUT. — Lebanese Foreign Minister Fuad Butros yesterday discussed the dangers of the situation in Lebanon with Syrian leaders.

Butros, who arrived here yesterday, held separate meetings with Syrian leaders, including President Assad, Foreign Minister Assad, and Minister Mustafa Tlass. His talks here will include a number of topics concerning Syria and the Arab world, especially developments in the land security situation in the

That was the start of the war which has until now claimed an estimated 40,000 dead.

Pierre Jemayyel, leader of the Phalangists, is also due in Damascus for talks with Syrian leaders today. Meanwhile, Imam Moussa Sadr, spiritual leader of Lebanon's Shia Muslims, many of whom live in the south, is expected in Amman for talks with Jordanian leaders today.

Butros paid tribute to Syria's "major and constructive role" in Lebanon, which he said would pave the way for solutions favouring the country's unity and progress.

Palestinian terrorist chief Yasser Arafat was in Cairo yesterday for talks with government leaders on Middle East developments, including the situation in south Lebanon.

Arafat flew in from Damascus, where he met President Assad last weekend, for the visit which is expected to last a few days. Government officials were to brief him on the results of President Anwar Sadat's recent visit to the U.S., political sources said.

(Reuters, UPI)

Lebanese 'communique' says city quiet in the south

YORAM HAMIZRAHI
Jerusalem Post Reporter

BEIRUT. — A Lebanese officer up to the border fence yesterday handed over a communique which said: "Lebanese Forces, Marjayoun 1815 hours. Daily Bulletin: In exception of minor fire exchanges, generally in the eastern and western part of the area, the area was calm. The Lebanese are holding all their positions, the villages of Deir Mimas, Lahiya close to the Litani. There were no attempts to attack two places in the past 48 hours. There were no casualties reported by HQ Lebanese Forces." Lebanese came to the "Good Fence" for renewed trade visits, and 180 of them arrived to work for the first many days. There were also cars travelling on the southern highway, and things were returning to normal. The second day that no injured were brought for treatment at the "Good Fence" infirmary and only sporadic small fire was heard near the border the day.

her shipment of flour, oil, fuel thing — mostly donated by the Committee for Lebanon — was over to the Lebanese civilian. A representative of the community in Israel brought

a supply of pressure lanterns for use by the Lebanese in the event of electric breakdowns. He also visited the injured and sick Lebanese hospitalised in Israel, and brought them Easter gifts, including Easter eggs. Lebanese patrols were seen throughout the enclave with soldiers apparently having high morale. They refused to talk to newsmen, saying, "Only our officers will do the talking." But an armoured personnel carrier driver claimed that more terrorists, chiefly of the Syria-backed Sa'eka organization, were continuing to reach southern Lebanon.

Several weeks back, the Syrians gathered their forces from strategic points throughout the country to three central camps. The new moves, it is thought, could be in reaction to the instability in the south and in the wake of Israeli criticism that the Syrians did not do enough to ensure that terrorist reinforcements did not reach the south.

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Israel warning to PLO sees new dimension S. Lebanon situation

By WOLF BLITZER
Jerusalem Post Correspondent

BEIRUT. — By publicly warning Israel will not remain in the face of friendly Christian villages in southern Lebanon, it appears to have added a new dimension to the already complex situation there, according to Israeli sources.

Israel has spoken only of defending Israeli villages from attacks from the north, but has refused to accept Palestinian or Syrian domination of the area because of the threat such a situation would pose to Israel's security.

Jerusalem has not publicly announced the need to protect these Christians living in the area, although this has been understood by all the parties concerned in Israel, Syria, Lebanon, the Syrians and the U.S.

Foreign Minister Yigal

day, warning that Israel will not permit a Christian defeat, was seen here as somewhat of an escalation of the public rhetoric being used by the parties directly involved.

Ironically, the Alon statement came as the situation in the south appears to have stabilized considerably. Informed sources here said that the same basic situation that existed some two weeks ago, before the Christian offensive, has returned following Christian military setbacks.

American and Israeli diplomats here continue to exchange information and assessments about the southern Lebanese situation on a daily basis. Israeli sources insisted yesterday that Washington has not asked Israel to modify its policy.

Publicly, State Department spokesman Hodding Carter III told reporters yesterday at the daily briefing that Alon's statement was not in contradiction with the U.S. assessment that "in practice" all

(Continued on page 2, col. 6)



Holocaust survivor Anushka Frieman lights candle during ceremonies at Jerusalem's Binyanei Ha'Ooma yesterday. Watching her, from left, are: Moshe Millis, representing the ghetto fighters and partisans; Chief Rabbi Ovadia Yosef; President Ephraim Katzir; Minister Gideon Hausner; and Prime Minister Rabin. (Rahamim Yisraeli)

Rabin warns enemies on Holocaust Day Jewish people no longer powerless

Prime Minister Yitzhak Rabin

warned Israel's enemies last night that the Jewish people are no longer powerless, as they were during the Holocaust, and that "if we are forced to fight...we will fight with a power as never before."

The world forgets too quickly, the premier told a capacity audience of 3,000 at Jerusalem's central ceremony marking the opening of Martyrs and Heroes Remembrance Day. "Only one generation has passed since the Holocaust, but the consequences of many have ceased to throb over the tragedy that befell the Jews...They knew where they were going...and for what purpose — and they went."

It is the responsibility of the parent, the teacher, the writer and the nation to teach about the

By JUDY SIEGEL
Jerusalem Post Reporter

Holocaust, he continued, so that it will not occur again.

The traditional ceremony was moved at the last moment from atop the Yad Vashem memorial hill to the Binyanei Ha'Ooma auditorium, due to rain. Above the stage, which was draped with black curtains, hung a stark black-and-white photograph of a bare street in a European Jewish community.

"We to the enemy," stated Minister without Portfolio and Yad Vashem council chairman Gideon Hausner, "who tries to destroy the state that was built on the ashes of the Holocaust."

The audience, which included President Ephraim Katzir, Chief Rabbi Ovadia Yosef, foreign

diplomats, soldiers and new immigrants, watched as survivors of the Holocaust and a young Gidna member kindled blue-and-white tapers in a six-branched candelabrum.

The onset of Remembrance Day was marked at Kibbutz Lohamei Hageta'ot and in dozens of other places around the country. Other ceremonies will take place today. A memorial siren will sound for two minutes at 8 a.m. today, when all activity will come to a standstill. Places of entertainment and cafes will close, as they did last night, in accordance with the solemnity of the day. The national colours will remain at half-staff atop all public buildings.

Schoolchildren will study the (Continued on page 2, col. 6)

Treasury tried to intervene for his wife Can law be altered to let Rabin quit?

By DAVID LANDAU
Post Diplomatic Correspondent

There was renewed pressure from the Treasury on the attorney-general early this week not to prosecute Lea Rabin, following the resignation speech of her husband, Premier Yitzhak Rabin.

Treasury officials argued, it is reliably learned, that the heavy blow which had no doubt befallen the family — in the form of Mr. Rabin's relinquishment of his party's leadership — should be a mitigating circumstance that should excuse both Mr. Rabin and Mrs. Rabin from a court trial. They should both be let off, therefore, the Treasury argued, with an administrative fine.

Attorney-General Aharon Barak once again rejected the Treasury's arguments regarding Mrs. Rabin — as he had done last Thursday. He insisted once more that she must stand trial. (The charges against her are expected to be submitted to the Tel Aviv District Court in a few days.)

Prof. Barak, it is understood, held that the political disaster that had struck her husband was not grounds enough for mitigating the process against Mrs. Rabin.

He agreed, however, somewhat reluctantly, not to intervene in the Treasury's decision regarding Mr. Rabin, and as a result the premier's file has been closed with a IL15,000 administrative fine. Barak felt that the Treasury's argument, insofar as it pertained to Mr. Rabin, could be defended in a court of law.

Legal and political circles are meanwhile wondering whether it is constitutionally possible to amend the Basic Law: The Government so as to allow Mr. Rabin's immediate resignation of office.

While the Likud has called the Knesset into session next Tuesday, on a motion for the agenda discussing the legal situation surrounding the premiership, its members feel they may be unable to present a private member's bill to change the

The key question of whether a private member's bill could be introduced is currently under consideration, in another context by Attorney-General Barak.

Barak is expected to rule shortly on a query submitted to him by the Knesset Law Committee regarding its right to discuss the electoral reform proposal — also a private member's bill — during the recess.

The attorney-general's ruling on this question will apply equally to the possibility of privately-initiated legislation on the premier's legal difficulties.

Labour Party circles unfriendly to the prime minister said yesterday they felt public pressure would force him to reconsider his decision not to use the legal loophole but to remain in office until after the elections.

They said that his staying on would inevitably dampen the new candidate, Shimon Peres, in his campaigning efforts. But sources close to Rabin insisted last night that Peres fully understood Rabin's position and had not taken exception to it. These sources said relations between the two men had dramatically improved since Rabin's resignation speech last Thursday.

(Leader — page 12)

Likud calls special Knesset session on Rabin

Post Political Reporter

The Likud will recommend amending the transition law to allow Prime Minister Yitzhak Rabin to step down even before his caretaker government is replaced, Likud MK Moshe Nissim told *The Jerusalem Post* yesterday.

The matter will come up on Tuesday when the Knesset convenes for a special session at the Likud's demand. The opposition bloc has submitted the necessary 30 signatures for this session to debate "the urgent

need to amend the transition law following the prime minister's resignation after holding a foreign-currency bank account abroad."

The session is partly designed to serve as a platform to blast Labour, a Likud source said. Alignment whip Moshe Werman said his faction would not oppose turning the matter over to a committee, but "it's impossible to complete all three readings (necessary) to amend the law" before the May 17 elections.

Histadrut bid to end port strike

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The Histadrut yesterday stepped into the strike by the two seamen's unions — which has already cost the shipping companies a million dollars in direct losses — but the move by the labour federation only complicated efforts to resolve their dispute with the shipping companies.

The officers union rejected the Histadrut bid for a round-table discussion this morning involving all sides in the dispute. The ratings union said there was no reason to participate in the discussion if the officers didn't attend.

Previously the Histadrut had confined its role in the strike to a threat to expel the officers from its ranks.

However, after the companies and the two unions failed to achieve results in separate talks that lasted all morning yesterday, the Histadrut offered to sponsor the round-table discussion. The invitation for the discussion came from Uriel Abrahamowicz, head of the Histadrut's Trade Union Department.

At first, the three parties signified intention of attending the round-table talks, raising hopes that the Histadrut would come up with a compromise formula at least to end the strike.

But the complication developed when the officers union secretariat met (after two of the four secretaries returned from out of town) and voted 80 (with one abstention) to reject the Histadrut invitation. Secretary Adam Chisik said they are willing to meet Abrahamowicz personally, but not together with the companies and ratings union. "We have no dispute with the ratings. If the companies have, that's their business. Our conflict is with the companies, and we shall not let them hide behind the Histadrut's back," he said.

Chisik reiterated the union's insistence that the companies execute their written agreement on differential payments to officers.

Shlomo Erel, director of the shipping companies' association, expressed regret at the union's decision. The companies say that the two unions are now disputing the execution of the payment and that they should let the Histadrut work out a compromise between their opposing stands.

The secretary of the ratings union, Shlomo Avital, said that if the officers did not attend the meeting, there was no point for his union to come. However, the ratings will not intensify their strike "as long as the companies do not make differential

payments to the officers," he said. Thus, the strike is still confined to home ports only. Last night, an Israeli-manned tanker, which had completed unloading in Eilat, was held up by the ratings, joining the four freighters held up by the officers in Haifa and Eilat. In addition, over a dozen more Israeli freighters are outside the ports, refused permission to enter by the Ports Authority for fear they will be struck once they are in port.

In Haifa Port, heavy rain washed out the morning shift. The Citrus Marketing Board suspended transport of fruit to the port; and only after the weather cleared yesterday afternoon did cargo handling resume, except at the container terminal and the Dagon Silo grain-discharging installation, whose berths are occupied by struck vessels.

Meanwhile, committee chairman Uri Zuckerman of the Zim company's 1,000-strong office staff yesterday cabled the transport minister for immediate and effective government intervention to end the strike. He noted that it is endangering the existence of the merchant navy and their jobs. He also called for a thorough investigation into the poor relations between the companies and the seamen in order to improve them.

The strike is causing tremendous indirect damage to the country's exports, importers who have millions of pounds worth of cargoes stuck in the ships outside the ports and the reliability of Israeli shipping and exporters on world markets.

U.S. longshoremen issue strike call

WASHINGTON (AP). — The U.S. longshoremen's association issued strike orders yesterday for a mid-night walkout against seven major shipping companies at U.S. Atlantic and Gulf of Mexico ports in a contract dispute.

U.S. senator here

Jerusalem Post Reporter

Senator Charles Mathias of the powerful Senate Appropriations Committee yesterday conferred with Foreign Minister Yigal Alon in Jerusalem on the latest Middle East developments.

The senator is due to have separate meetings this morning with Defence Minister Shimon Peres and former Foreign Minister Abba Eban.

Senator Mathias arrived here two days ago on his way to Istanbul for a NATO conference.

Labour's top men set out to placate Haifa branch

Jerusalem Post Staff

HAIFA. — The top Labour Party men planning to meet here tonight with the heads of the party's Haifa branch will get a frigid reception, according to local party officials.

A senior leadership group is coming to Haifa to persuade the heads of the branch, the country's largest numerically, to end their boycott of the election campaign. The group will include Defence Minister Shimon Peres — the candidate for premier — along with Foreign Minister Yigal Alon, party secretary-general Meir Zarmi, and perhaps also Commerce and Industry Minister Haim Bar-Lev, who heads the party's election campaign. The Haifa branch declared its

boycott after the party's executive and organizing committee nominated only one Haifa man — MK Moshe Shahal — to a safe place on the Knesset candidates' list. (In the outgoing Knesset the branch had three members.) The second Haifa candidate on the slate, Prof. Shevah Weiss, was slated number 56, with little hope of being elected.

"We shall tell the leaders the plain truth. What they have done to us is serious," district secretary Uri Agam said last night. "It isn't simply a question of Knesset seats. What has happened raises the entire question of the relationship between the district and the party's Central Committee. We shall let them think of a way out. We shall make no proposals."

More rain, lower temperatures

By ZE'EV SCHUL
Jerusalem Post Reporter

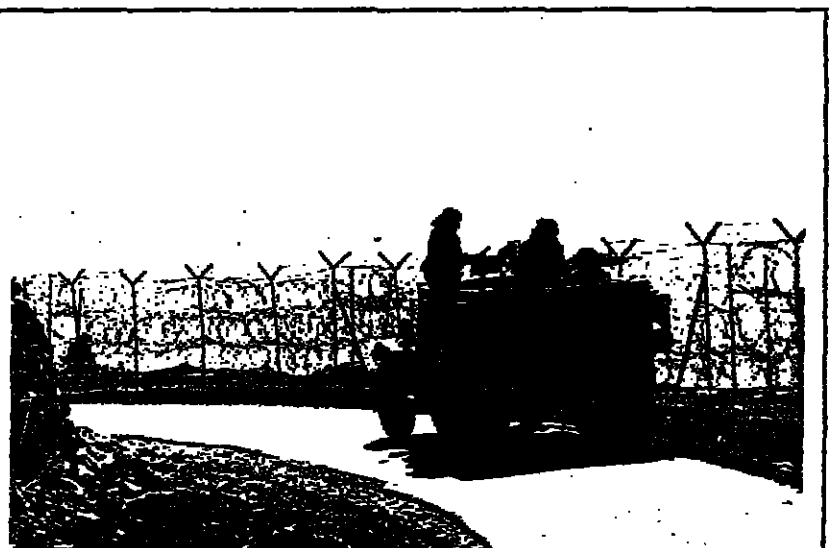
TEL AVIV. — There will be snow on Mt. Hermon, heavier rainfall in most parts of the country, and a continued drop in temperatures today, with a possible carryover into Friday and the weekend, the weather forecaster at Beit Dagon told *The Jerusalem Post* here yesterday.

Israel's wettest spot yesterday was Haifa, which had 23 mm. of rain by noon. The precipitation spread as far south as Eilat, which registered 6 mm. of rain. This was more than it

had received the entire winter, but it was still substantially short of its 25 mm. total winter average.

Temperatures yesterday ranged from six to eight degrees below the normal temperature for this time of the year in temperatures ranging from 18 degrees in the coastal plain (maximum) and a cool 10-12 degrees (maximum) along the central mountain massif.

The weatherman explained that the unstable conditions now prevailing over the Eastern Mediterranean were due to a barometric low and an extension of the cold wave that hit Europe recently.



Threat in the North...

Yoram Hamizrahi reports from the border with south Lebanon, where fighting has flared up again.

Rabin's ironic exit — Biographer Robert Slater probes into Rabin's life to find reasons for this week's events.

Leading the winning side — Tal Brody is interviewed by Philip Gillon.

Rocking Nawelba — The rock festival in words and pictures. And the Weekend Dry Bones, plus columns by Martha Meisels, Helga Dudman, Moshe Kohn, Haim Shapira.

This and more in tomorrow's

THE JERUSALEM POST MAGAZINE

Zambia charges Zaire bombs its villages

AKA. — Zambia yesterday accused Zaire of bombing a hospital village on its soil amid reports of fighting in Zaire's troubled Kasai province just across the border.

Zambian government spokesman here said Zaire planes bombed the village of Kamukungu Mangango on Saturday and Sunday.

Zambia's Kasai mission hospital Monday. An unspecified number of people were injured the spokesman said.

Other alleged incidents took place in a Zambian territory bordering Zaire and Angola in the northwest tip of landlocked Zambia.

They were the latest indication of

Katanga, where Zaire has accused Soviet and Cuban-supported insurgents of invading the country from Angola. Cuba and the Soviet Union have denied the charge.

The spokesman said two planes were involved in each bombing raid. Zambian officials said it was uncertain whether the alleged attacks were deliberate or whether Zaire pilots had mistaken Zambian soil for other targets.

Reports reaching London from Western intelligence said the invaders were advancing along the British-owned Benguela rail line towards the Shaba copper-mining centre of Kolwezi.

The reports say that last weekend, coinciding with the alleged bombing incidents, the invaders pushed east

from the town of Mutshatsha as Zaire forces took up positions on the west bank of the Lufupa River 65 kms. west of Kolwezi.

Morocco has sent 1,500 men to Zaire to help government forces. In Kinshasa, Zaire's capital, Western sources said yesterday they had heard the Moroccans "are being grouped around Kolwezi and within a week or so will join Zaire soldiers in a concentrated move westward toward the Angolan border to confront the invaders."

Such an offensive was expected to prompt the fiercest and most extensive fighting since the invasion force crossed from Angola on March 7. In the early days of the invasion, the rebels captured several border towns without resistance from Zaire troops.

Diplomatic sources in Kinshasa said about half the initial Moroccan force had reached Kolwezi, about 350 kms. from the Angolan border and kingpin of a copper complex producing over 80 per cent of Zaire export earnings.

For the past few weeks, Zaire officials have put a firm lid on all news reports from the battlefield, some 1,400 kms. south of the capital, emphasizing instead the large Western aid campaign.

In Cairo yesterday the newspaper "Al-Akhabar" carried on its front page a statement made by Zaire

National Orientation Minister Mubunze Nsomi Lebwana that Egypt had sent troops — "aid in men" — to his country.

However, an official confirmation of Lebwana's statement was not possible.

The brief "Al-Akhabar" report was the first time the local press had mentioned possible Egyptian assistance to Zaire president Mobutu Sese Seko's regime. Local newspapers had even ignored the presence of an Egyptian military mission in Kinshasa.

In Paris, meanwhile, Angolan Foreign Minister Paulo Jorge said Western intervention in the war in Zaire "could have very grave implications" and that Angola would respond "with all our means" if attacked itself.

Jorge told a news conference that Angola "categorically has not interfered in the insurrection in Zaire," but admitted that Katangan gendarmes given refuge in Angola "organized the rebellion. This makes it an internal affair."

He said he could not rule out the possibility that the gendarmes move back and forth across the Angola border to fight in Zaire's Shaba province. However, he denied reports they are armed and trained by Angola, the Soviet Union and Cuba.

(Reuters, UPI, AP) (See Frenchmen, F.4)

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Exchange warns public about stock speculation

'Shares can fall as easily as they rise'

TEL AVIV. — The management of the Tel Aviv Stock Exchange yesterday issued a sharp warning to the public with regard to recent speculative activity in shares traded on the exchange.

The management, while expressing satisfaction with the widening of interest in the equity market by the public at large, warned "short-term investors" that the same shares that have risen dramatically recently can fall just as easily. They noted that there are many shares whose prices bear little relationship to their net asset value or profitability.

Furthermore, the notice regretted that at present there are no licensing regulations covering investment advisers. This leaves the field wide open for anyone wishing to adopt the title of investment adviser.

It was also pointed out that there are many shares that are held in relatively few hands and even a small demand can force their price up quickly. By the same token, small offers of sale will push their prices down rapidly. The management is currently studying ways and means of improving the tradability aspect of those shares whose float is very small, it was reported.

The boom in shares, which began in July 1976, has produced some spectacular price action. Jordan Exploration, a company active in oil ex-

By JOSEPH MORGENSTERN
Jerusalem Post Reporter

ploration, was trading six months ago at IL5.00 a share. Two days ago, fuelled by rumours of a major off-shore oil strike in the Gulf of Suez, the shares reached an all-time high of IL43 — an increase of more than seven times. In the same period, Pas Investments, which does no oil exploration but is generally associated with the oil field, doubled in price.

There also was the spectacle this week of a share-option jump by more than 600 points in one session. The news of easy profits has spread rapidly and new faces are seen at the investment department of the banks. Many of these neophytes have little experience in investing, not to mention speculating. They will not heed the suggestion of the advisers to invest in solid issues like those of the major banks. Their preference runs to the speculative shares with the hope that the next day someone will buy their shares at a higher price.

Actively on the exchange has become so intense that the variable sector of trading had to be suspended until further notice. It was explained that, due to the lateness of the closing, the public was not given a chance to place their orders for

the next day. The management of the exchange denied that the step was taken to cut down the volume of trading. Nevertheless, in the past three sessions, more than IL150m. was traded. This represented the highest figure in the annals of the exchange for a comparable period of time.

An unsubstantiated report in yesterday's press claimed that an investigation had revealed underworld involvement in stock market investment.

In an interview with The Jerusalem Post, Nathan Shilo, assistant manager of the Tel Aviv Stock Exchange, stated unequivocally that the exchange knows nothing of any such investigation. Insofar as the warning to the public was concerned, Shilo stressed the exchange's desire for the public to differentiate between investment and outright speculation. He further stated that the exchange is taking a close look at some 20 to 30 shares which it considers problematical.

The warning by the Tel Aviv Stock Exchange, coupled with the newspaper story of underworld involvement, was sufficient to reverse the recent upward trend of the stock market yesterday. Shares fell across a broad front. (See Tel Aviv stocks, page 11.)

It would seem that the warning had a beneficial effect as revived interest was noted in the more-solid shares.

A concrete bubble grows in Dizengoff

By SARAH HONIG
Jerusalem Post Reporter

TEL AVIV. — What used to be Tel Aviv's most famous landmark — Dizengoff Circle — was covered by a giant reinforced-concrete bubble yesterday.

The project began at 5 a.m. and was due to be completed by midnight last night. During the day 250 cement mixers brought 1,200 cubic metres of concrete to form the bubble, whose centre is 3 metres higher than the surface of the old circle.

By the end of the year a tunnel connecting the two sectors of Dizengoff Street will run under the bubble with Reines and Pines Streets merging into it. The top of the bubble will feature a garden, and will be accessible to pedestrians from ramps extending directly from the sidewalk.

A plan to open two cafes on the bubble top was scrapped this week. City fathers reckoned that it would be better to add more greenery, especially as there are more than enough restaurants and snack bars around the circle.

The city executive yesterday also approved an earlier decision to earmark Kikar Hamedina for a park and to ban construction inside the circle. After the police, fire department and the city engineer gave their blessings, the executive also put its stamp of approval on a plan to turn the old Cinema movie theatre into the city's main fire station.

11 countries present at localities meeting

Jerusalem Post Reporter

Representatives from 11 countries attended the opening executive committee meeting of the International Union of Local Authorities in Jerusalem yesterday.

After two days of discussions, the participants will tour the Sinai and other parts of the country. Among those attending are Dr. Felix Slavik, former mayor of Vienna and president of the IULA; Han van Putten of Holland, secretary of the IULA; and Ali Ghadimi Mahany, executive director of Israel's municipal association. The meeting is being hosted by Israel's Union of Local Authorities.

Gov't parsimony hits mental centre

By MARSHA POMERANTZ
Jerusalem Post Reporter

Israel's only centre for rehabilitating "hopeless" mental patients through community treatment is in danger of closing at the end of the month for lack of funds from the government agencies whose patients it serves.

For the last nine years Moadon Shalom in Jerusalem has treated some 700 patients referred from mental hospitals and welfare offices. These patients would otherwise have remained in institutions for the rest of their lives or severely burdened their families. Mark Spivak, the centre's director, told the press yesterday.

During the last three years the project was supported in large part by the Joint Distribution Committee (JDC), on the assumption that the Ministry of Health and Welfare and the National Insurance Institute (NII), all of which refer patients, would then take up the support of their own clients. The Welfare Ministry has been paying about a third of the cost of rehabilitation services for about 30 patients, and the NII has agreed to pay its share. The Health Ministry has so far paid nothing, although it recently promis-

ed a one-time grant to cover one-third of the costs for 20 patients. The reluctance to pay has nothing to do with the quality of services offered, said Dr. Spivak, a psychologist who trained and taught in leading American universities. The programme is widely respected in Israel and abroad. "But while using the services of Moadon Shalom, the Health Ministry said on repeated occasions that community treatment has low priority in its budget. This, despite the fact that the 45 clients referred by Health Ministry institutions can receive about nine months of care at the centre for the cost of one month in a mental hospital."

The Welfare Ministry was threatening to stop its support if the Health Ministry refused, since the programme would soon collapse under such conditions. NII support is contingent on the funds from the Welfare Ministry.

The return to a meaningful position in society and a job can take

years after prolonged hospitalization, Spivak stressed.

After several hundred professionals in psychiatry and social work petitioned against the Health Ministry's decision earlier this week, the ministry spokeswoman announced yesterday that the ministry would give priority to community programmes and would offer full support for some 25 clients during the next year, at a total of IL250,000-IL300,000.

That still leaves 20 of the patients without support, Spivak said. About 100 patients are currently active in the centre, though many others are in touch for occasional help.

Both the Health and Welfare Ministries are reportedly relying on the JDC to extend its assistance for a few months until the matter is settled. However, Spivak said such a patchwork arrangement would not allow the full functioning of the centre and hiring of personnel to replace a few of the staff who are scheduled to leave during the summer.

The budget for 1977/78 is IL1.45m., which would provide for some 100 patients, with a professional staff of 15.

At the annual stockholders meeting of Dupont on Monday, a spokesman for the American Jewish Congress accused Dupont of rejecting some of the same anti-Arab boycott principles that had been accepted in the joint ADL-Foundational statement. Shapiro defended his position, saying that Israel itself requires certain "negative certificates."



Admiral Zumwalt at the Defence Ministry yesterday. (Freidin)

Zumwalt urges Israel not to rely on others for security

By HIRSH GOODMAN
Post Military Correspondent

TEL AVIV. — Israel would be ill advised to surrender its ability to ensure self-survival in return for a commitment of security from others. This is the opinion of Admiral Elmo Zumwalt, former U.S. chief of naval operations. He was speaking here yesterday to senior military officials and Defence Ministry officials.

Zumwalt, who is in Israel on a week on a private visit, said that it would be folly to accept the commitment of allies at the expense of ensuring that Israel can take care of itself.

Admiral Zumwalt said that he personally believed that President Jimmy Carter had embarked on an "encouraging" course. He added that by adopting an open and honest foreign policy, "as opposed to the Byzantine secrecy we experience-

ed over the past five or six years," Carter would bring the people to realize that the U.S. had to be strong to protect itself from the Soviet threat.

Zumwalt is well-known for his criticism of former Secretary of State Henry Kissinger's detente policy. During his one-hour talk Zumwalt repeatedly accused the former administration of lies and lack of honesty in telling the American public about the Soviet threat.

America supports Israel because Israel is seen the world over as one of America's staunchest allies, the former navy chief said. "If America were to allow Israel to fail, then we would have absolutely no credibility left with our other allies, specifically NATO," he added.

Zumwalt said that he would visit China in July, and stressed that he had always considered Red China as a potential major ally.

Tel Aviv to hold spring festival

By SARAH HONIG
Jerusalem Post Reporter

TEL AVIV. — Folk singers from at least eight Mediterranean countries will participate in the Spring '77 Mediterranean song competition on May 6 — one of 16 art and entertainment events which together will constitute this year's Tel Aviv Spring Festival.

So far singers from Italy, Portugal, Turkey, Gibraltar, Yugoslavia, France and Malta have confirmed their entry in the competition. More are expected to enter, along with local competitors. The entries will all be new compositions, and the jury will comprise Israeli musicians and representatives of foreign embassies, deputy mayor

Yitzhak Artzi told the press yesterday.

A day later, some of the country's most popular singers will take part in a programme of "Little Tel Aviv" songs by the late poet Natan Altiman at the Chamber Theatre. On May 21 six youth bands will play at Kikar Malchei Yisrael. Two days later 18 dance troupes will entertain the public in the same place. There will also be free outdoor entertainment at the Hattiva Park.

Other events include Cantor David Koussevitzky and a number of choirs in an evening of religious music at the Maim Auditorium; a ceramics and leathercrafts fair in Jaffa, an intercontinental basketball tournament, and a Hebrew book fair.

Immigrant mortgage ceiling raise

Jerusalem Post Reporter

The Absorption Ministry has raised the mortgage ceilings for flats purchased by new immigrants outside Jerusalem, it was announced yesterday.

Starting this month, an immigrant family of two or three persons can get a government mortgage of IL10,000 on a flat that costs up to IL250,000 (previously, the maximum cost of the flat was IL220,000). A family of six to eight persons can buy a flat for up to IL280,000 (instead of a

IL250,000 ceiling), and get a IL120,000 mortgage.

A single immigrant living outside Jerusalem can buy a flat costing up to IL215,000 (instead of IL185,000 in the past) and get a mortgage of IL50,000.

Mortgage ceilings for flats in Jerusalem were raised in January. The higher ceilings do not imply any increases in loans granted (mortgages for single immigrants have not risen for several years, although those for families have been hiked).

Immigrant soldiers with families to get grants

Married immigrants drafted for compulsory military service will receive grants of IL800 to IL2,000 per month from the Absorption Ministry starting this month, to boost their army pay.

The ministry announced this aid would be given to immigrant soldiers with families whose income is curtailed because of their conscription.

Shepherd injured by mine near J'lem

A shepherd from Jerusalem's Abu Tor quarter was seriously injured Tuesday night when he stepped into a mined field next to Kibbutz Ramat Rachel.

The man, Mahmoud Ahmed Al'an apparently entered the minefield in an attempt to retrieve a sheep that had strayed from his flock. Security forces have begun an investigation. (Itm)

Thai princesses plant trees and eat kneidlach
Royal notes in the Kotel

By KINUE WEINSTEIN
Jerusalem Post Reporter

Wearing tinsel hats and dressed in sporty clothes, Princesses Sirindhorn and Chulabhorn of Thailand visited the Western Wall yesterday, and left notes between the ancient stones of the Kotel. The two princesses, on the fourth day of their visit to Israel, also lunched with President Ezer Weizman and paid a call on Knesset Speaker Yisrael Yeshayahu.

At an IDF women's training base on Tuesday, the princesses ate an army meal which included kneidlach (matzo ball) soup and hummus, and watched a training class in session. During a tour of the women's living quarters, when the commander explained that the impromptu paintings on the wall intended to brighten the dormitory, was an army "tradition." Princess Chulabhorn politely replied, "It is also our tradition to paint on walls."

The princesses also visited the parade grounds, where they told some of the girl soldiers that although some women serve in the Thai army on a voluntary basis, they usually work as secretaries or nurses and never receive weapons training.

Earlier, wearing stylish pants suits made of Thai silk, their Royal Highnesses braved chilly winds to plant two trees at the Jerusalem Peace Forest below Government House. After they recited the blessing, they listened attentively to a Keren Kayemet official who explained the importance of having trees on

the land once again. Princess Sirindhorn said that trees are constantly being cut down for development and commercial uses in Thailand, and that the Thai government is aiming to have forests on 50 per cent of the land. But currently only 35 per cent of Thailand is covered by forests.

In Thailand, where the royal family enjoys much respect, there is a traditional way of talking with royalty. Asked whether Israeli informality would bother their Royal Highnesses, their private secretary replied that, on the contrary, they were enjoying the relative freedom. Because this is one of their first trips abroad on their own, the young princesses were reluctant to give a direct interview to the press.

In addition to their native Thai, their Royal Highnesses are fluent in English and French. Princess Sirindhorn just completed her B.A. in history at Chulalongkorn University, graduating magna cum laude, and Princess Chulabhorn is a third-

year science student at Kasetsart University.

Diplomatic relations between Thailand and Israel date from 1983. According to Thai Ambassador Swate Komalabutti, the main obstacle to relations between the two countries is the geographical distance.

Thailand tries to maintain even-handed ties with both Israel and the Arab countries, and has abstained from anti-Israel resolutions at the United Nations. Ambassador Komalabutti said his country has also remained silent about the Palestinian refugee problem; he pointed out that Thailand herself has a serious refugee problem, as over 80,000 people have fled from neighbouring countries after Communist takeovers.

About 70 Thais currently live in Israel, most of them students or UN soldiers. On the other hand, there are hardly any Israelis in Thailand, according to Israeli Ambassador Reuven Dabai, here to guide the royal party. Altogether there are only twenty Jewish families in Thailand.

IL15m. programme boosts traditions of Oriental Jews

TEL AVIV. — Calling immigrants of the 1980s from Moslem countries "the generation of the desert" was a "fundamental sin" which caused a spiritual crisis for them, Education Minister Aharon Yadin yesterday told a forum of educators here.

The ministry is now investing IL15m. a year in a programme to integrate the traditions of Oriental Jews into the school curriculum and to foster pride in their culture, he said.

Yadin and other ministry officials addressed about 500 teachers, researchers and administrators at a conference of the committee to integrate the tradition of Oriental Jews in education and culture. Shlomo Ben-Eliash, an assistant to Director-General Eliezer Shmili, was in charge of the programme. (Itm)

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THE JERUSALEM
POST

Senators try to put teeth back in weakened anti-boycott legislation

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. An effort will be made in the U.S. Senate to strengthen legislation to prevent U.S. firms from complying with the Arab boycott against Israel, congressional sources have disclosed.

The legislation, already approved by the Senate Banking Committee, was considerably weakened during committee deliberations following intensive lobbying by the Carter Administration. The Administration apparently feared a negative Arab reaction should a tough anti-boycott bill become U.S. law.

Congressional supporters of the strong legislation, disappointed over the weakening of the bill, are determined to reintroduce several amendments on the Senate floor in an effort to once again strengthen it.

A similar, but not identical, weakened version of an anti-boycott bill was approved in the House International Relations Committee earlier this month and will be reaching the House floor following the current congressional recess. Apparently, supporters of the

stronger legislation want to see the Senate adopt amendments to strengthen its bill and then to see the House subsequently accept the Senate version.

In backing the weaker legislation, Administration officials have expressed concern that the originally worded strong bill could undermine current U.S. efforts to reconvene the Geneva conference by alienating Saudi Arabia and other "moderate" Arab states.

It has been a foregone conclusion here for several weeks that the Congress will approve anti-boycott legislation this year; the only question remaining is how strong the legislation will be. Last year, the Ford Administration managed to kill efforts to approve a strongly worded anti-boycott bill, using last-minute parliamentary delaying tactics.

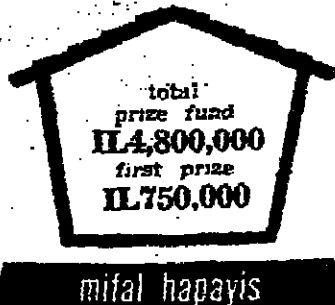
During the presidential campaign, Jimmy Carter voiced strong support for new legislation — a fact that has led to some disappointment among

his supporters now because of the way his aides have reacted to weak legislation.

The American Jewish Congress, which supports an effective new law, confronted Irving Shapiro, the chairman of Dupont and the head of the prestigious Business Roundtable, over the issue of the boycott. Shapiro, who is also a member of the E'nai E'zri Anti-Defamation League, had spent several weeks earlier this year reaching a statement of consensus on the boycott between the ADL and the Roundtable, a statement that glossed over important differences on several crucial issues.

At the annual stockholders meeting of Dupont on Monday, a spokesman for the American Jewish Congress accused Dupont of rejecting some of the same anti-Arab boycott principles that had been accepted in the joint ADL-Foundational statement. Shapiro defended his position, saying that Israel itself requires certain "negative certificates."

tonight



Religious court judges must live where they work

Jerusalem Post Reporter

Two rabbis who were supposed to have affirmed their loyalty as rabbinical court judges at Beit Hanassi yesterday will have to wait until they find housing in the towns where they will serve.

Rabbi Menahem Hersh and Yissachar Dov Hager, who were nominated by the dayanim committee with two others last month, were prevented from attending the ceremony by Religious Affairs Minister Haim Zadok. The minister insisted that dayanim must live in the town where they work.

Rabbi Moshe Nissenboim and Shmuel Dickman (who will work in Petah Tikva and Haifa, respectively) affirmed their loyalty. In the presence of President Ephraim Katzir, Minister Zadok and Chief Rabbis Ovadia Yosef and Shlomo Goren.

Suspect remanded in beach murder

Jerusalem Post Reporter

RISHON LEZION. — The Rehovot Magistrates Court yesterday remanded for another nine days Yosef Arush, 32, who was arrested in connection with the murder of 28-year-old Yosef Shamal, a Jaffa resident.

Shamal's bullet-riddled body was found on Monday afternoon on the beach west of here.

According to the police, Arush, a garage owner, was seen in the company of Shamal a short time before the murder.

Police are holding three others in connection with the murder, and this morning will decide whether to release them or bring them before a magistrate to extend their remands.

Army experts: Matzpen linked to Baader-Meinhof

Army security experts believe that one of the splinter factions of the far-left Israeli Matzpen movement has connections with international terror gangs such as the Baader-Meinhof group and the Japanese "Red Army."

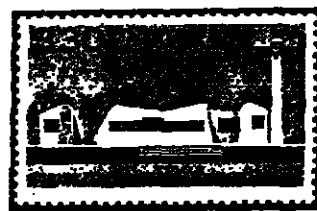
The security experts' opinion was contained in an affidavit submitted to the committee which is reviewing Jerusalem attorney Lea Tzmel's application for a permit to appear before military courts. The army asked that she be banned from these courts because she is a member of the "Communist Revolutionary League" — known here as Matzpen-Machats — which the army believes has connections to terrorist groups.

In a letter written to the committee, the security experts asked that she be banned from military courts where she might have access to classified information.

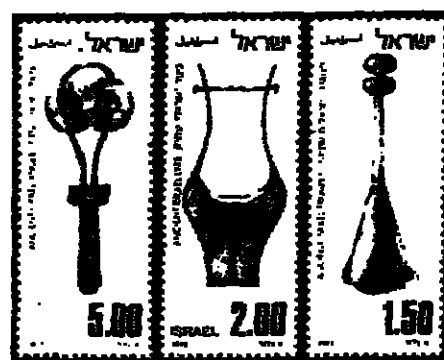
Replying to the committee, Tzmel did not deny membership in the international organization but said it was legal and had rejected terror as a way to "international revolution." Referring to the army allegations, she said "army intelligence should be given a course in how not to jump to conclusions."

Attorney Felicia Langer, who represented Tzmel before the committee, demanded to cross-examine the army officer who wrote the letter. The committee, headed by Supreme Court Justice Meir Shamgar, agreed to this demand and adjourned until the officer could testify. (Itm)

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Navy chief quits after Communists legalized Spanish army won't join anti-Suarez walkout

MADRID (UPI). — Spanish army leaders have censured the government for legalizing the Communist Party, but are willing to accept the decision "for reasons of patriotism," the news agency Europa Press said yesterday.

The agency said a copy of a statement approved by the Superior Council of the army — a body grouping active generals — was leaked to it, following an extraordinary meeting of the council that lasted almost to midnight Tuesday.

The meeting was called after Navy Minister Admiral Gabriel Pita de Veiga, the cabinet's last holdover from the Franco era, resigned from his post to protest Saturday's lifting of the 35-year-old ban on the Communist Party by the government of Premier Adolfo Suarez.

Pita de Veiga's number two man, secretary for the Merchant Navy Admiral Avador Franco, resigned yesterday.

According to Europa Press, the Spanish generals said they "express a certain repulsion" at the legalization of the Communists. But the generals went on to say that they accepted it, and were "indissolubly united in the defence of the unity of the fatherland, the national flag, the permanency of the crown and the good name and discipline of the army."

Meanwhile, government sources said Suarez and King Juan Carlos, battling to control growing military discontent, have persuaded the army and air force ministers not to join Pita de Veiga's protest.

The right-wing newspaper "Alcazar," the official organ of the powerful confederation of Civil War Veterans, had said Air Minister General Carlos Franco Iribarnegaray had also resigned in protest against lifting of the ban on the Communists, and that the position of Army Minister Felix Alvarez Arenas was unknown.

But government sources said that neither had quit. Press reports said the army minister met with Suarez in the morning, then returned home and reported sick.

Pita de Veiga, explaining his resignation yesterday, accused Suarez of having misled army

chiefs, the newspaper "El País" said. It said the minister told Suarez he was quitting because the premier had not kept his promise — made last September in a meeting with the leaders of the armed forces — that he would not legalize the Communist Party.

No official statement was released at the time on the September meeting. But it was unofficially reported that Suarez did make such a promise in explaining his programme of democratization to the military.

Press reports said Pita de Veiga resigned under the pressure of fellow generals and admirals who have been holding meetings at which the government's action was criticized. The newspaper "ABC" quoted a navy spokesman as saying that the Spanish Navy — traditionally the most conservative of the three service branches — was fully behind Pita de Veiga's actions.

Legalization of the Communists — Franco's fiercest foe — has been Spain's most hotly debated political issue.

The government had passed it to the supreme court for a ruling, but the court declared itself incompetent. Suarez then went ahead on his own and gave the party legal status, which means that the Communists can openly take part in Spain's first free elections in 41 years, scheduled for June.

Reacting to the tension yesterday, the Communists postponed all meetings which they had scheduled to celebrate the ending of the ban, including a picnic fiesta in a suburban Madrid park.

The executive board of the Falange Party — one of the main pillars of the Franco regime — met late Tuesday and issued a statement accusing the Suarez government of having perpetrated a "historical, political and juridical fraud" by legalizing the Communists.

But at the same time the Christian Democrats came to the embattled government's aid by saying that "in these moments" they gave it its "unconditional backing." Other centre and left-wing parties had already praised the government for legalizing the Communists.

Grenades injure 34 policemen in Pakistan

ISLAMABAD, Pakistan (AP). — Thirty-four policemen were injured in two grenade attacks in the continuing agitation against alleged rigging of March parliamentary polls, the government said yesterday.

In a statement, the government said the two attacks were made at two police units on duty at the Shah Alam and Lohari Gate areas of Lahore, the provincial headquarters of the Punjab, 300 kms. southeast of here.

Lahore has been the scene of major violence since Saturday, when massive opposition demonstrations were fired upon by the security forces, killing at least 19 persons.

The government said the condition of four policemen injured in the grenade attacks was serious. Nawabzada Nasrullah Khan, acting chief of the opposition Pakistan National Alliance (PNA), which is leading the present agitation against the government, is currently touring the northwest frontier province in order to "assess the political situation and the state of the movement in the area," he has said.

He also reportedly met jailed PNA chief Maulana Murti Mahmood in Haripur jail, 80 kms. north of here, and discussed the agitation with him.

The trouble stems from National Assembly elections on March 7, in which the ruling Pakistan Peoples Party won 155 seats, while the PNA got only 36. The PNA says the elections were rigged.

Pakistan envoy quits over rigged elections

MADRID (Reuters). — Pakistan's ambassador to Spain, Air Marshal Abdul Rahim Ham, resigned yesterday, saying he could not sit idly by and see his country being dragged into another civil war by a dictatorial regime.

SIGNALS. — Danish officials said yesterday they would protest to Moscow again about mysterious short-wave radio signals coming from the Soviet Union. The signals were disturbing long-range radio communications with ships and aircraft, the Danish post and telegraph system said.

Frenchmen fear another Vietnam in Zaire

PARIS (AP). — President Valéry Giscard d'Estaing's personal decision to commit France to aid the threatened Zaire regime of President Mobutu Sese Seko is the outcome of a complex set of circumstances in which economic interests and the forthcoming French elections have their place alongside international political considerations.

Formally, France professes to be clean. Zaire's legal government appealed to the Organization for African Unity (OAU) for help against internal subversion by infiltrators from a neighbouring country. Morocco replied, under the OAU banner, and both nations asked France for logistic aid.

Giscard d'Estaing, in a television interview Tuesday night, stressed that France was helping a government fighting "defensively" inside its own borders, and helping Africans to "settle their own problems."

The airlift would be over and the aircraft "back at their base" in France by the end of this week, he said.

But there is the matter of the "few dozen" French officers in Zaire. Giscard d'Estaing and officials on down insist they are only "instructors" dealing with French-supplied equipment, denying or evading comment on reports from Kolwezi that claim the French officers are helping revamp the Zaire army which crumbled away before the Katanga "infiltrators."

The officers sounded like "military advisers" to many French commentators who noted: "Haven't we heard this somewhere before?"

Giscard d'Estaing was asked Tuesday night if there was not a danger of a French Vietnam in Africa. He dismissed the question as "absurd."

"No French troops are fighting in Zaire, none will be," and African states would not ask for

them, he said. The reports from Kolwezi did not suggest the officers were seeking action, but did make them appear to be more like "advisers" than "instructors."

Giscard d'Estaing explained his decision, politically, as "sending two signals" to Africa. With increasing instability on the continent, France's African friends, moderate pro-Western states such as Senegal, the Ivory Coast, Gabon — and not least, Morocco — would "not feel abandoned" when they were "in their rights and their security is menaced."

The second was that of "showing the close solidarity of Europe and Africa," he said. And he spoke of the economic importance of Africa for Europe as a supplier of vital raw materials.

French officials make no secret of their economic involvement in Zaire, which produces a sixth of the world's copper and many other vital minerals. In the area threatened by the Katangans, France is involved as a customer and through holdings in multinational companies, which employ hundreds of French engineers in Zaire.

France's "African friends" are also major markets for French exports and privileged terrains for French companies developing their national resources.

The announcement of the French airlift raised a storm of protest from leftist opposition leaders in France. Some raised charges of support for a corrupt regime and that Giscard d'Estaing was treading on the brink of a bottomless African pit.

France has in the past intervened with other "clients."

In 1968, France flew 1,000 tough paratroopers into Brazzaville in the former French Congo to

subdue rioting against President Fulbert Youlou — but stood by when Youlou was forced to resign because of local pressure and continued rioting as a new government took office.

It saved President Leon M'ba of Gabon from a coup d'etat in the early 60s, again with quick action by elite troops.

Starting in 1968, the French Foreign Legion fought eight long desert campaigns in Chad, supporting the late president Francois Tombalbaye's forces against rebels in the north east of the country. But domestic criticism by now an important factor. The French involvement was wound down in 1971.

When the airlift was announced Sunday, diary Frenchmen questioned in a random sample commented: "Oh no, why the hell are we getting involved?" — a sentiment echoed by many the press.

But there are important domestic political considerations for Giscard d'Estaing which enable him to turn the Zaire operation to his advantage.

They lie largely in his problems with Gaullists, the strongest component of his government coalition. Gaullist leader Jacques Chirac, the new mayor of Paris who generally is considered to represent views on the left, has criticized Giscard d'Estaing in 1967, has strongly criticized what he sees as a vacillation in policy and is decisive action by the president.

The Zaire decision was a chance for Giscard d'Estaing to demonstrate firmness. And as reactions poured out from most set of the political spectrum, there was silence in the Gaullist camp and Chirac himself.

Among Gaullists causing Tuesday, a majority were reported to favour the action. "At a solid African policy," was their reaction.

FBI says clerk spied for Soviets

LOS ANGELES (Reuters). — A Federal Bureau of Investigation (FBI) agent testified on Tuesday that a young security clerk working with secret information in an electronics firm here had confessed to giving the Soviet Union secret Central Intelligence Agency (CIA) codes months before they were used by the U.S. Secret Service.

Special FBI agent James White said at the opening day of the trial of Christopher John Boyce on conspiracy and espionage charges that Boyce, 23, had confessed to handing over thousands of documents to the Russians.

Boyce, a security clerk working in a secret code teletype vault, at TRW Inc., and Andrew Daulton Lee, 25, were arrested last January after Lee was alleged to have been caught giving documents to Soviet agents in Mexico City.

White said Boyce described himself soon after his arrest as an "adventurer" who was politically disenchanted with the U.S. Boyce has pleaded innocent to the charges. Both men face a possible death penalty if found guilty in federal court.

White said Boyce had told him that he was originally approached by Lee two years ago on the idea of selling documents to the Soviet Union. Lee is alleged to have made contact with Soviet agents by flying to Mexico City and walking into the Soviet Embassy.

ABON. — Prof. Raymond Aron, 72, one of France's top political scientists, was hospitalized in Paris last weekend after a heart attack; but a medical statement yesterday indicated his condition was "improving."

Libya criticizes Young for linking Africans to KKK

UNITED NATIONS (Reuters). — Ambassador Andrew Young of the U.S., regarded as a friend by most African delegates, on Tuesday was criticized by Libya for allegedly having "equated at least one-third of the African population with the Ku Klux Klan, accusing them of racism and hate."

Libyan representative Mansur Kikhia was referring to press accounts of statements which the U.S. envoy made at a meeting last month with a group of American Jewish leaders.

Young, a Black former civil rights leader, was reported to have said that while hatred for blacks in the American South was expressed by "ignorant people like Ku Klux Klan types," he had experienced for the first time hatred by intellectuals, towards Jews, when he visited Jordan in 1968.

Speaking during a Security Council debate, Kikhia said the "optimistic note" sounded by the appointment of Young to represent the U.S. in the world body had been "clouded by doubts and provoked our estrangement and dismay when we read peculiar statements attributed to Ambassador Young."

Third fatality in W-German slaying

BERLIN (Reuters). — A German bodyguard seriously injured in last Thursday's assassination of federal prosecutor Siegfried Buback died here early yesterday, it was officially announced.

A spokesman for the federal prosecutor's office said the victim, 43-year-old Georg Wurster, had died of his injuries in a Karlsruhe hospital.

Wurster had been the sole survivor of the urban guerrilla attack on the chauffeured car carrying Buback. The prosecutor and his driver, Wolfgang Goebel, were killed instantly when the pillbox passenger on a motorcycle riddled the car with sub-machinegun fire.

(Wurster, too, had erroneously been listed as a fatality in last Friday's report of the assassination.)

Ethiopia alerted to aggression of Sudanese

ADDIS ABABA (Reuters). — Head of state Mengistu Haile-Mariam has warned Ethiopians to be ready for an "emergency call" to crush what he called Sudanese aggression against his country.

Lieutenant-Colonel Mengistu said in a radio and television address on Tuesday night that "the dictatorial ruler of the Sudan, President Ja'afar Numeiry, is now openly violating the honour and entity of Ethiopia."

In the first accusation against Sudan of direct military involvement in Ethiopia, Mengistu said it was providing tank and artillery support for anti-government movements such as the EDO and secessionists in the Red Sea province of Eritrea.

But he made no direct mention of battles going on inside Ethiopia between Sudanese and Ethiopian forces, which were alleged in a government memorandum presented to the Organization of African Unity (OAU) on Monday.

Carter and Soviets mending fences in private talks

WASHINGTON (UPI). — President Carter and the Soviets are beginning to mend fences after a breakdown of the Moscow talks on strategic nuclear arms limitation.

The White House says that a "mutually arranged" 40-minute meeting between Carter and Soviet Ambassador Anatoly F. Dobrynin in the oval office Tuesday was "constructive and useful."

They discussed U.S.-Soviet relations, including the stalled strategic arms limitation negotiations, and "touched on" the question of Soviet fishing violations, inside the 200-mile limit. A White House spokesman said, "Two Soviet fishing vessels, meanwhile, are being held in Boston after being seized by the U.S. Coast Guard for violating that limit."

Dobrynin emerged from the meeting all smiles. He called it "a good meeting."

But the White House was sparse on details. It was the second time in five days that Dobrynin had been in con-

IN BRIEF

Carter commutes Liddy's sentence

WASHINGTON (Reuters). — Gerald R. Ford, the silent man, Watergate, has had his jail sentence commuted by President Carter, could be free within three months.

Liddy was sentenced to up years for masterminding burglary of the Democratic headquarters in 1972 and for the resignation in disgrace of former president Richard Nixon years later.

He has been in prison since January 1973 and was due to be there until at least May 1, 1981.

Lord Killanin suffers minor heart attack

DUBLIN (Reuters). — Lord Killanin, president of the International Olympic committee, was making satisfactory progress after suffering a minor heart attack on Tuesday.

He collapsed at Fairhouse Hotel here after watching his jockey Michael Morris win the main event of the day, the Power Gold Cup.

Soviets, Greeks try to improve relations

ATHENS (AP). — Greek and Soviet officials opened talks here yesterday in an attempt to improve relations strained by the Soviet Union's move on Cyprus and other issues.

Heading the talks is Greek "Greeks" top eight ambassador Ioannis Tsoumis, and Soviet Ambassador, director of the Foreign Ministry, Alexander Gromyko.

The talks are a continuation of talks held last October between Greek Foreign Minister Dimitris Biliotis and Soviet envoy to Athens, Ivan Udalchov.

No word of arrested Rumanian dissident

PARIS (AP). — Rumanian dissident Paul Goma has been arrested at Bucharest and eight other dissidents have been sent to Rumanian camps for a year, the French minister for the Defence of Freedoms said yesterday.

The group said Goma, author of an open letter asking participation in this summer's Belgrade conference, was being held in a Rumanian camp.

Violations in Rumania, was said April 3 or 4 and that there has been no word on his whereabouts since.

The committee said the others, who also signed Goma's letter, had to sign for "voluntary assignments" in labour camps and that the location of the camps was not known. Serban Stanculescu, the only one of the eight identified.

Mubarak to brief Arab League

CAIRO (Reuters). — Egyptian President Hosni Mubarak leaves for four 12 Arab countries today to brief them on the situation in the Middle East.

President Anwar Sadat's talks in Bonn, Paris and Washington on the Middle East crisis, the official newspaper "Al-Ahram" said yesterday.

The tour takes in Syria, Jordan, Iraq, Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, Sudan, Morocco, Algeria and Iran.

HANAFIS. — Abdul Aziz Hanafi, spokesman for 12 Hanafi Moslems, when they held 144 people for a day in Washington to seven countries' firearms law violations. Dissident Judge John Sirica, who presided over the arraignment, did not set a trial date.



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| Earthwork | |
| Painting | |
| Carpeting | |
| Marble | |
| Security | |
| Asbestos-Cement | |
| Ceilings | — Asbestos Co. Ltd.
— Metalphus Ltd.
— Basbest Ltd.
— Gerner Oved Co. |
| Acoustic Ceilings | |
| Aluminum | |
| Ceilings | — Albar |
| Plaster of Paris | |
| Ceilings | — Meir Sadi |

הנדסת י. דאסין

FIFTH PAGE

STORY is told by a Holocaust survivor about the head of a small Jewish community council in the Ghetto, who was killed by the Gestapo officer in 1942. "I was the only Jew left in the ghetto," he said, "to make up for the loss of Haman, who were hanged as Jews."

Judenrat elder begged for all the morning, to make his life. In the morning, he told himself at Gestapo headquarters and told the officer, that he found only four Jews. "Here I am with my wife and two children," he said.

It was the way for a Jewish life to end under the Nazis. "But all me about Jewish policemen with their own hands, helped to 'kill' Jews."

After the story is apocryphal or a masterpiece of imagination, it exemplifies the level of leadership to only few individuals could rise the diabolical Nazi rule.

The other gradations of ship by members of the ghetto were the subject of a day conference held at Yad in Jerusalem last week. The subject of the third international conference was "The rat and the Patterns of Jewish ship in Nazi Europe 1933-1943."

arians and researchers from the U.S. and European countries delivered lectures. Following the end of the two earlier sessions, the papers read will be in book form later.

saper on "The Judenrat as a

Conscious or Unconscious Tool," Prof. Raul Hilberg says that in German eyes the Jewish councils were nothing more than instruments of policy in the course of which Jewish life was first constricted and then extinguished.

The councils moved Jews into Jewish houses and Jewish districts, registered the inhabitants for forced labour, confiscated Jewish property and raised money for the building of ghetto walls. There was nothing subtle or unconscious in these acts, Prof. Hilberg said.

The councils, however, were not only tools of the German administration. They assumed that they had to care for the Jewish population. This they tried to do in a nightmarish situation of uncertainty, violence and acute shortages. Their principal problem, however, was the basic contradiction between Jewish hopes and German commands.

Ultimately, any benefits provided by the councils for the community were short-run," Prof. Hilberg said. "Those measures, however innocuous — that had to be taken in compliance with German directives — were integral steps leading to the eventual doom of the entire community."

The onset of the deportations from the ghetto presented the councils with a harsh test. Their knowledge of what was happening was seldom acquired directly or all at once, but only reports were seeping through the walls.

HOW DID Jewish leaders react to the news and what decisions did they make? Czerniakow in Warsaw and

How Jewish leaders dealt with the Nazis

Choosing who will die

By ERNIE MEYER / Jerusalem Post Reporter

Loewenthal in Vienna actually asked the Gestapo whether the rumours were true. Henriques in Copenhagen would not believe his Danish informants.

In Greece, Rabbi Koretz pleaded with the Germans not to destroy the ancient Jewish community of Salonika. Franco of Rhodes simply fled. Merin in Upper Silesia and Rumkowski in Lodz thought that if some were sacrificed, others might be saved.

In Germany itself, Rabbi Baese, head of the Jewish community in the Old Reich, and Henschel, chief of the Berlin community, both decided not to inform the victims of their fate, lest the deportees suffer even more. Thus these two Jewish leaders reached a point of culmination in their submission and surrender, Prof. Hilberg said.

The head of Yad Vashem, Dr. Yitzhak Arad, spoke on the Judenrat in the Lithuanian ghettos of Kovno and Vilna. The Jews of Lithuania were the first of Europe's Jews to be annihilated, he said. Between July and November 1941, nearly 175,000 of the 230,000 Lithuanian Jews caught in the web of Nazi conquest were liquidated. At the end

of this period about 43,000 remained, enclosed within four ghettos.

The first Judenrat created in Vilna and elected by the Jews, functioned for only eight weeks. After its dissolution, the Germans appointed A. Fried as chairman and left the appointment of additional members to him. Eleven months later, they disbanded this Judenrat and appointed J. Gens as Ghetto Representative. In Kovno, on the other hand, the Judenrat, headed by Dr. Elkes, was elected by the Jews and functioned as long as the ghetto existed.

In 150 smaller towns of Lithuania, where the Jews were indiscriminately murdered in the course of one or two Aktions (round ups), the Jews did not need the assistance of a Judenrat. In Vilna and Kovno, however, where they established priorities for deportation, they required the assistance of the Judenrat.

In Kovno, the Judenrat had to assist in the distribution of 5,000 white work permits and in Vilna, 3,000 yellow permits. These work permits gave relief — temporary, as it turned out — from deportation. The Jewish elders were well aware of this meaning.

In both ghettos, the Judenrat

compelled with the German order to make the selection of workers. They did so with the understanding that only by obedience to the Germans would it be possible to "save what could be saved." When the Jewish police of the Vilna ghetto participated in the Aktion in the Oshmiana ghetto in October 1942, Gens defended his decision by explaining that the Germans had intended to murder 1,500 mothers and children.

The participation of the Jewish police, under the direction of the Judenrat, in selecting the victims helped save the women and children; in their stead 400 sick and elderly were handed over.

During the "relative stability," from the beginning of 1943 until the summer of 1943, the Judenrat of both ghettos tried to increase the work output in ghetto workshops, assuming that the Germans would be interested in maintaining productive units. In this way, they sought to extend the existence of their ghetto, in the hope that the eventual collapse of Germany would save the Jews, Dr. Arad said.

In both the Vilna and Kovno ghettos an armed underground was established by groups not associated

with the Judenraets, confronting the latter with a fait accompli. Elkes in Kovno and Gens in Vilna did not in principle object to the existence of an underground, and both maintained ties with its leaders. In Kovno, relations were good until the very end.

In Vilna, after 18 months of peaceful co-existence, relations between the Judenrat and the underground took a turn for the worse. Gens believed that arms acquisitions and the departure of young men for the forests endangered the existence of the ghetto because it reduced the number of workers. He took measures to curtail these activities and there were some violent clashes.

Gens also opposed the departures to the forests, because he feared German reprisals which would lead to the liquidation of the ghetto. In Kovno, on the other hand, the Judenrat assisted those who wanted to join the partisans, but this was only after the liquidation of the Vilna ghetto, when it was realized that there was no longer any hope that labour could save the ghetto.

OVERALL, the various Judenrat had no consistent policy with regard to armed resistance. Dr. Samuel Krakowski said in his lecture. In some cases, they adopted a negative and uncompromising attitude, while in others they eventually compromised. Sometimes they personally initiated armed resistance or participated in it. The majority of armed-resistance groups were formed when the ghetto was on the point of liquidation or after mass escapes during the deportations to the death

camp, he said.

In general, the resistance organizations opposed the view adopted by the Judenraets — that cooperation with the Germans could minimize the scope of extermination. They abhorred the concept according to which Jews would make the decision of who would be sent to his death first. (There was a tendency to keep those close to the Judenrat at the end of the row for deportation.) The resistance fighters also opposed the opposite kind of selection, that is, the inclination of the political underground leaders to rescue eminent public personalities.

"In discussing the controversies between the Judenraets and the resistance fighters, we may state that from the moral point of view the resistors were in the right," Dr. Krakowski said. "The approach of the Judenraets led in various places to moral degeneration, while armed resistance created important national values." But he concluded that "were we to judge which of the two approaches contributed more to the rescue of Jews, we would find it difficult to give a clear reply."

Dr. Arad described the frightful dilemma in slightly different terms. He said that the Jews of both the Vilna and Kovno ghettos supported the Judenraets and their leaders. "In the wake of the realities of ghetto life, they did not see any alternative to the Judenrat policies," he said. In the struggle between the Judenrat and the underground in the final months of the Vilna ghetto, the Jews failed to respond to the appeals of the underground and supported the Judenrat, he added.

LONDON LETTER / Mark Segal

Raised eyebrows on the Rabins

Had the savage Hollywood television "Network" produced yet another example of the film's entertainment value, it would have been a million of British TV and newspaper readers about the financial gaments of the Rabin family. Rabin's penchant for high life, expensive clothes was out to the British public, with "Sunday Express" describing sarcastically as "the Jackie of the Middle East." Indeed, financial dealings show a marked contrast with the pioneering, puritan image of Israel's Rabin, as exemplified by the David Ben-Gurion and Golda

Premier Callaghan almost losing power and Canadian Premier Trudeau leaving Washington for his family travels. The "Times" noted, "It must be one of the most undemocratic political downfalls since Mettermich left Vienna in a laundry basket. For a prime minister in office to retain the leadership of his party by a fraction of a percentage point three months before a general election was already unimpressive. For him to throw in the towel six weeks later, because of his wife's bank account, seems downright pathetic."

The Jewish leaders I spoke with dwell on the personal tragedy involved for Rabin, whom they had found a more confident leader on his recent stopover visit here from the U.S.

Israel's enemies are using the Rabin affair as an example of how Israel is falling apart and incapable of properly running a democratic society. No one in Britain quite understands how a cabinet minister cannot resign, nor has Rabin's decision to cling to office until the very end enhanced his standing in this country.

The waves of the election campaign have already washed over British shores, with Ariel Sharon recently engaging in a fund-raising effort with his usual combination of charm and bluster. That he left Israel's information campaign in ruins (by calling for recognition of the PLO and so forth and decrying the Israel Government) is nothing compared to the confusion among the community he spread by talking of "creating a real partnership with the diaspora by abolishing the Jewish Agency." He found an old admirer from War of Independence days, a Mr. Karn (who makes guesses for Marks and Spencers who immediately announced that he and his friends would no longer give money to the Joint Israel Appeal but to Shomdon. How he aims to do that no one here knows, as the British Treasury and the anti-Israel MPs together watch very, very closely to where exactly any money transferred to Israel goes.

The emergence of Prof. Yigael Yadin's party has aroused much interest in Britain, and not only because of Yadin's fame among the general public and his popularity

among his many admirers in London. It is mainly because his party speaks in terms that evoke positive echoes in British minds like clean Government and democratic capitalism. But it must be admitted that a number of Orthodox members of the community are alarmed at the reportedly anti-religious trend of the Yadin movement.

British Labour is deeply interested in the fate of its sister party in Israel, as demonstrated by the presence of Environment Secretary Peter Shore, a prospective premier, at the party conference. The fall from power of the Swedish socialists and the shaky position of Dutch Labour makes them worried about Israeli Labour.

The main British interest in Israel's political crisis and general elections is whether they will affect Washington's Middle East diplomatic momentum. Public opinion is largely persuaded that the Likud (and the NRF under Gush Emunim's spell) are obstacles to any progress in peace-making.

The emergence of Shimon Peres as Labour's leader and thus likely to become Israel's next premier, has brought up questions of whether he will impede or facilitate this diplomatic effort. So far, to judge by media response, the answer has been that he will help. Peres' initial positive welcome by British opinion moulders probably reflects his excellent performance in explaining Israel's case during his recent visit here.

The media note his pro-European slant, with the "Daily Telegraph" arguing that Peres differed from Rabin "not on whether to negotiate, but on what kind of negotiating stance to take." The "Times" believes him to be much harder for the Americans to manage than Rabin, and Peres' memories of the Suez debacle will teach him not to rely overmuch on the Americans. The leading British daily notes, "Peres possesses qualities, which in political matters Rabin sorely lacked: imagination, flexibility and a willingness to take risks," adding "he should be better at taking diplomatic initiatives, rather than reacting to them like Mr. Rabin or Mrs. Meir..." The influential "Financial Times" hailed Peres for his dynamism and leadership qualities "which Israel has needed for so long."

THREE YEARS AGO last Monday, in the early hours of April 11, 1974, three Arab terrorists based in South Lebanon snaked under cover of a dark night into Kiryat Shmona. In the morning they murdered 16 men, women and children.

Two soldiers fell in the exchange of fire with the attackers. After news of the attack was broadcast over Israel Radio, the Popular Front for the Liberation of Palestine issued a communique in Beirut and Damascus claiming credit for the operation of its suicide squad, intended to obtain the release of 100 terrorists held in Israel. Among them was the Japanese terrorist Kojo Okamoto, convicted for his part in the Lod Airport massacre in May 1972. The PFLP gave up as the deadline for the release of the 100 terrorists.

When the PFLP learned from Israel Radio that its three men had been shot dead, it stated that they had killed themselves by setting off explosives, which also killed hostages taken by the terrorists. Taking pupils as hostages from a school on the fringe of the town had been their assignment. But they had not entered the school but made straight for the apartment buildings, where they shot people on one floor after another. Eight of the 16 victims were children aged two to 11.

The next day over Galiel Zahal (the army radio station) the O.C. Northern Command said, "The Army will do all it can to take the initiative out of the terrorists' hands and make it difficult for them to operate... The struggle in which we are engaged began long before Kiryat Shmona. It is continuing and possibly will go on for much longer. And the people of Kiryat Shmona are not only an integral part of it, they form one of the strongholds of our defence."

The O.C. Northern Command then was Aluf Mordechai Gur. He was appointed Chief-of-Staff a few days later. In that radio interview, he also said that "the Syrians are interested in a large-scale war and that from time to time, we had observed signs indicating that this may happen."

It is plain coincidence that a week before the third anniversary of the massacre, Chief-of-Staff Rav-Aluf Mordechai Gur stated that what is going on in Lebanon is, for the time being, "not Israel's war." Speaking at a reunion of Reali School graduates in Haifa, he added that, "Israel has no information about Syrian involvement in the fighting in South Lebanon," and that, "a nation should not enslave itself to the concept of a 'red line' by delineating its whereabouts."

To weigh the wisdom or otherwise of these words, it is necessary to recall the facts. Commenting on the Kiryat Shmona massacre the day after it took place, the then Acting Chief-of-Staff, Aluf Yitzhak Hafi, had this to say on the terrorist operations from South Lebanon:

"It is almost impossible to prevent terrorist infiltration into Israel from Lebanon in that particular area because of the harsh topographical conditions and rocky terrain." He added that "the short distance from the border to towns and villages in the area makes tracking down the terrorists before any damage is caused extremely difficult. The only real chance of stopping them would be to act pre-emptively and get them before they can do anything."

The man who said that must have been the best-informed staff officer at G.H.Q. at the time. For several years he had been the O.C. Northern Command and knew practically every rock on that vulnerable border. Kiryat Shmona is 4,500 metres away from it. The population of the town (close to 20,000) as that of North Galilee altogether, reads statements like that of Chief-of-Staff Mordechai Gur with a consciousness

Terror and foresight



IDF forces perched atop an apartment building during the attack on Kiryat Shmona in April 1974. (S. Segal)

of the facts stated by Chief-of-Staff Hafi.

IN THE course of the Lebanese civil war, the terrorists first moved north (last year) to fight the Maronites and the Syrian regulars in the centre and the north of the country. In recent months they have moved back south again.

The tactics of the Syrians have been distinguished by a remarkable agility and equally remarkable consistency in strategy. The latter, to put it briefly, has been the pursuit of the dream of generations of Syrian politicians and military men: the achievement of Greater Syria.

As long as the Palestinian terrorists sought to turn a good part of Lebanon into a power base for themselves, Syrian President Assad ordered his forces to shoot at them with every weapon except planes and, seemingly, to make common cause temporarily with the Maronites.

The Palestinians, no match for a regular army with plenty of tanks, guns and ammunition, were sub-

dued. Hardly were the Syrian forces in control of most of Lebanon, when the temporary alliance with the Maronites, from the start more apparent than real because of the difference of aims, ended. The Palestinians, beaten and dislodged from their fortified encampments in and near Beirut and further north and east are now back in the south. They harass the Maronites north of our borders, in order to recapture some of the villages lost last year and to drive a wedge between the Christian population and the Good Fence, an aim on which the Palestinians and Syrians are heartily agreed, though of course the latter take good care not to be seen actively sharing in the effort.

It is not by their pronouncements that Arab leaders must be judged. Those of Sunday may completely contradict those of Wednesday, and only Western (or Israeli) politicians and commentators will be puzzled by such antics. It is what they do and how they do it that can make these leaders plausible to us. Assad's aim is Greater Syria, to include as much

of Lebanon, Israel and Jordan as the political and military opportunities permit him to grab.

Seen against this long-term design, Assad's operations in Lebanon become perfectly logical. We shall gradually see Syria's terrorist subsidiary, "Sa'eka", absorb as many of the Palestinian rival organizations, or rather their manpower, as it can. It is likely that the next targets on Assad's list are not Israel, but Jordan and the West Bank.

For the people of Kiryat Shmona and along our entire borders north and east, these thoughts are not abstract speculation. They can hear the report of the guns, the staccato of the machine-guns. From their hilltops they can see the smoke and dust rising. And they have good cause to be apprehensive.

Once safely installed in old and new strongholds along the border, the Palestinian terrorists, especially the so-called dissidents (who want no negotiations and no peace with Israel), will return to their former exercises of harassing Israel by hit-and-run or hit-and-flight operations, like that of Kiryat Shmona three years ago, which was mounted by Ahmed Jibril, one of these dissidents.

Viewed from the North against past events and such a reading of Syrian long-term intentions, current events in South Lebanon, the discomfiture of the Maronites — Israel's natural allies against Syrian expansionism — is very much Israel's war. Mordechai Gur is taking a very short and narrow view of it.

Foresight, the pragmatic definition of the Talmud, is the best intelligence test. Israel's leaders do not fare well by that standard. Either they forswear the possible events, but did not act on such foresight, or they failed altogether to see what could happen. Reporters still remember their self-assured pronouncements: "The Suez Canal is the best anti-tank ditch I know of." "If Egypt or Syria should attack Israel now, they would have less chances of success than President Nasser had in 1967." Or: "I do not believe that they (the Egyptians) are capable of fighting such a war. This would amount to a suicide parade."

The samples are taken from *The Jerusalem Post* of May 1973. The speakers were Golda Meir and Moshe Dayan. We know from recent history that lack of foresight, or inaction despite foresight, can bring disaster. Stalin refused to trust the reports of his agents that Hitler was about to launch his "Operation Barbarossa" against the Soviet Union in 1941. The British leadership regarded Churchill as an "extremist" for his warnings throughout the thirties that Hitler meant war. The Americans were caught napping in Pearl Harbour. Not even an anti-tank ditch like the Suez Canal separates us from the Syrian armour, guns and terrorists.

Since Aluf Hafi's diagnosis of April 12, 1974, the topography of the Galilee hills and the military landscape have not changed. Nor have the long-term designs of President Assad. It is time our thinking did.

MUSIC / Benjamin Bar Am

Expectations nicely met

Holliger opened with Berio's Sequenza No. VII for oboe solo, an excellent curtain raiser which served as a musical motto for the whole concert. There is really nothing anymore to come as a surprise in Holliger's performance. He has achieved a dazzling control over his instrument.

The following Five Vocal Pieces gave us an unprecedented insight into Berio's spiritual world. Each one represents a compositional concept of sound, but also conceptualizes universal ideas and meanings. In all these pieces the boundaries between the voice and the instruments are blurred, the voice adding only an additional part. Starting with the dirge-like "Calmo," punctuated by "cruel"

short brass outbursts, the work then proceeds to the famous "O King" which revolves round the phonetic values of the weighty phrases: "O Martin Luther King," to "Air," a highly intricate and sophisticated musical labyrinth, then to "Agnus," for two female voices and three clarinets, which recreates — in a contemporary fashion — the universal languages of Gregorian Chant and finally to "E Vo," for voice and 14 instruments, which contains the emotional climax of the whole cycle. Alide Maria Salvetta was a perfect soloist and did full justice to the unusual and unconventional vocal parts.

Holliger returned in a second version of the Sequenza "Chemin IV," now embedded in a texture provided by 11 instruments and again pleased immensely. Finally there were the two solo concertos, the Ghedini in which Avner Biran provided a well-worked out and excellently balanced flute part and the magnificent Bach Oboe d'Amore concerto which made us again marvel at Holliger's wizardry: the length of his phrases was unbelievable.

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תזמורת סימפוניה ירושלמית
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AT THE JERUSALEM THEATRE

White Series, Concert No. 9

Monday, April 18, 1977; 8:45 p.m.

Conductor: LUKAS FOSS with the Tel Aviv Philharmonic Choir
Director, Stanley Sperber

Programme: ROSSI-ADLER "Psalms" for brass instruments
ROSSI-FOSS Suite
STRAVINSKY Psalm Symphony (commissioned by YOSHI MAR-HAIM "Until..." (commissioned by the Israel Broadcasting Authority)

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Theatre performances of
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Yad Lehanim, KFAR SAVA
April 30 - May 11

April 30, 8.30 p.m.
EMLYN WILLIAMS (Britain)
as Charles Dickens
May 7, 8.30 p.m.
ARLEQUIN PUPPET THEATRE (Austria)
Threepenny Opera by Brecht/Weill
May 9, 8.30 p.m.
KENNET THEATRE (Britain)

Dear Liar by J. Kilty. Play based on correspondence between Bernard Shaw and Mrs. Campbell
May 11, 8.30 p.m.
CLUB THEATRO DI ROMA (Italy)
Sacco
Play without words by C. Remondi and R. Caporossi

Tickets, IL25-30, at Risel's Youth Culture House, 12 Rehov Geula, Kfar Sava, 10 a.m.-12 noon and 6-8 p.m.
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EXPORT WEEK 1977

For the second year in a row a leading manufacturer of electric and electronic goods has won the coveted Exporter of the Year

prize. Tadiran managing director Elkana Caspi told Jerusalem Post reporter MACABEE DEAN some Tadiran "trade secrets."

Tadiran does it again

The stiff regime introduced in 1976 by Tadiran, Israel Electronic Industries Ltd., was geared towards increasing exports and helping the company to face with confidence the economic problems which will beset Israel in the latter half of 1977 and last for at least two years. During this period, consumer de-

telephone allowances, the use of electricity, and so on.

"Four factories were closed down in the past few years; two factories were combined into one; in other factories, some production lines were scrapped," said Caspi.

The company stopped manufacturing TV sets.

"Let's face it: we can't compete with the Common Market countries when it comes to producing sets at a competitive price."

In what areas can Tadiran compete?

"In military electronics, electronic components, telecommunications — such as electronic switchboard systems, and in Research and Development (R & D). For example, we came up with a lithium battery — this was really a breakthrough — for we were the world leaders in this field."

Although Tadiran is cutting back in most fields, it is increasing its efforts in R & D. "We see our future here," Caspi noted. "We believe that product development, technology, will be our natural line of development."

Tadiran's total sales in 1976 amounted to ILS 5.5. The figure for 1977 is estimated at ILS 6.5, which will be about the same as the 1976 figure in real terms, for the rest is just camouflage due to inflation. Profits (before taxes) were about nine per cent of sales in 1975 and 1976; this same ratio should be maintained in 1977.

It is in the export field that Tadiran expects to show real growth. If in 1976 it exported only 15 per cent of its output, the target today is 50 per cent. In 1975, exports amounted to \$32m. and in 1976 they rose by almost 40 per cent to \$71m. (despite the world-wide recession). In 1977, they should climb to about \$80m.

Mr. Caspi believes that Tadiran managed to raise exports because it had "good" products and knew how to sell them.

The good products were developed as a result of Israel's peculiar geopolitical position.

"Not only have we had one war after another forced on us, but we have had to use an enormous number of men, and a great amount of resources, to prepare our defences in the between-war periods."

The constant preparation for war, and the wars themselves, gave



The main production hall of Tadiran near Tel Aviv.

Tadiran a unique advantage over similar companies in other countries. It could employ experienced soldiers; it also had constant feedback from the battlefield. Another advantage was that in order to survive, Israel had to create production lines without parallel in the world, and could thus produce quality products at low prices.

Because these production lines had to be kept functioning in times of peace, too, Tadiran was obliged to exploit foreign markets. There were sharp cut-backs in government purchases between wars; moreover, the government adopted a policy of providing incentives — what Mr. Caspi calls "goodies" — to encourage exports.

"We didn't go in for supplying foreign countries on a hit-or-miss, one shipment, basis. We studied the political situation and economic conditions in the foreign countries we wanted to sell to, and we promised to

keep supplying standardized of the best quality. We realize every foreign country that buys goods is scared to death about relying on a foreign supplier. So we sold not only actual technology, we sold factories, above all, we sold these self-reliance. They could rely to help them achieve self-reliance."

"In some places, we even 'protected status' because we that country's national interest helped them to become independent of Tadiran and of all other suppliers."

Paradoxically, this does not mean that Tadiran is killing its markets.

"No, the opposite is true," said Caspi. "As long as we keep ahead of all these countries in as soon as we teach them how the next step, we'll still be ahead."



Elkana Caspi (Prior)

mand will fall, investments will be reduced, and competition, especially abroad, might well reach the cut-throat stage.

This was stated by Mr. Elkana Caspi, managing director of Tadiran, who noted that during 1976 some 1,000 workers left the company's employ, reducing the work force to 5,900. Eventually, total number of employees will be brought down to 5,600.

"The work force was reduced with a minimum of trouble because we started planning in good time," said Caspi. "Any worker who left was not replaced; we advised others to look around for good jobs elsewhere while such jobs were available; the worst thing about it was that some of our best workers left us, but this couldn't be helped."

The cut-backs were just as harsh at the administrative level. Not only were all promotions frozen, but there were sharp reductions in car and

phone allowances, the use of electricity, and so on.

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Simple-looking factory in development town turns out chic leatherwear for world markets



Yisrael Oron worker guides a trainee in art of leather joint styling. Glue pot (left foreground) is used before sewing begins.

By AARON SITTNER, Jerusalem Post Reporter

Hammering noises as the plain-looking white building on the edge of Carmiel's industrial zone. But the noises are not of carpentry or furniture shop but of the largest manufacturer of leatherwear in Israel.

Most visitors wonder about the building's name, "Yisrael Oron." Oron's 29-year-old plant, where cut-to-pattern sections of leather are sewn together, is a machine operators sewed away at whirling Singers and Pfaffs, leatherwear craftsman fully selected matching sections of leather and rubber cement to the edges. He let them dry for a while before he began hammering along the glued edges with a tack hammer.

Leather is an interesting clothing material," Oron explained. "Not is it more stable and long than textiles, but fabricating different, too. For a sewn joint in leather garment to last, we pre-stitch it and the glue is a silent partner for life. It never runs, nor how much heat you apply. And building up a leather garment — a jacket, tunic, skirt or pants — is different in another important sense," he pointed out. "Unlike textiles, leather is pattern-cut one

piece at a time — no snipping through a sheet of 20 layers at once, as is done with cotton or wool.

"Every piece of leather, whether made suede or glossy nappa, has its own hue and individual natural imperfections. If we cut in quantity, we end up with leather garments all right, but not the kind we would sell with the Beged Or label."

Selling the Beged Or label, in about 30 countries throughout the world, is not Yisrael Oron's job — "All I do is receive the computerized orders from our main office in Migdal Ha'Emek. Then I see to it that the goods are manufactured to specifications that meet Leslie Fulop's exacting demands."

Managing director Fulop, who founded Beged Or in 1969, not only coordinates sales around the world but is also a top-notch fashion designer in his own right.

Despite his expert executive staff, Fulop keeps an eye on every step of the Beged Or process — from ordering a pallet of pigskin in New Zealand to pricing a leather coat in Beged Or's Manhattan retail shop.

Israel Investors Corporation bought into Beged Or in 1968, helping it to expand and sharing in its profits.

Besides about a dozen wholly-owned retail shops here and abroad, and showrooms for those who buy wholesale for their department store

or boutique, Beged Or's manufacturing empire consists of six plants — in Tel Aviv, Migdal Ha'Emek, Upper Nazareth, Carmiel, Isfiya and Beit Jann. Yisrael Oron is in charge of the plants at Carmiel and at Beit Jann.

"I'm fortunate in having a staff of devoted workers at my disposal," said Oron, who majored in industrial sociology at Haifa University.

"Folks who choose to live in a development town like Carmiel are excellent human material, as they say. As for my Arab workers in Beit Jann, I'll tell you this much: here are people who for generations have been tilling the soil. It's in their blood. Now, along come people like ourselves who introduce them to a new milieu — a world of high-speed sewing machines, quality control and computerized inventory systems.

"Our Arab workers are truly amazing people. They learn fast and their work is impeccable. What more can a plant manager ask for?"

Unlike many other large Israeli clothing manufacturers, Beged Or hardly uses sub-contractors, preferring to produce its goods under one roof, so to speak. It takes about three days — from completion of pattern cutting — for a Beged Or leather coat to be ready for shipment to a customer.

The company employs some 900

persons in its various branches. Individual plant managers are authorized to set manpower and work-schedule policy. Oron recently offered his 120 employees the choice of a five or six-day week.

"As I predicted, they opted for a five-day week, with a longer workday, to make up for the shortened workweek. So far, it has been a resounding success. Employee morale is high and output-per-worker is just as good as at our six-day manufacturing facilities.

Oron says the Beit Jann factory, presently housed in rented premises, will soon be moved into a spanking new plant, and its staff of 50 will be doubled.

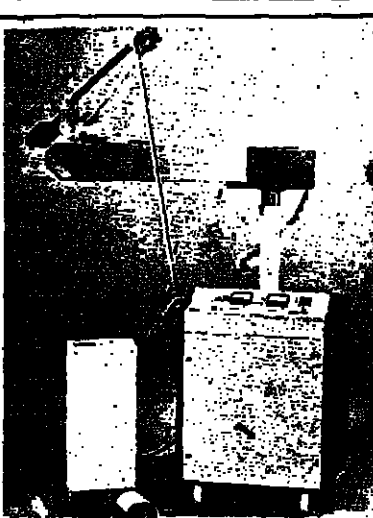
A Labour Ministry-sponsored vocational training scheme is already underway to assure an adequate supply of workers.

World economic conditions — inflation, disposable income and so on — are important factors in Beged Or's business. A \$500-to-\$900 leather coat or pants suit, after all, is not everyone's idea of a "consumer item."

It is no secret that sales growth at Beged Or — as at other firms specializing in costly luxury items — has tapered off in the past two or three years. But, says Oron, the general economic recovery starting abroad will probably be reflected soon in the company's sales figures.

"I believe Beged Or will show sales of seven to eight million dollars for this year," he told *The Post*.

EXPORT WEEK 1977



**ISRAELI
CO. SURGICAL
LASER
SHARPLAN 791
WINS
WORLDWIDE
ACCEPTANCE**

In 1972, two Israelis, Professor Isaac Kaplan and engineer Uzi Sharon developed the SHARPLAN 791 CO₂ surgical laser. In late 1972, the Etz-Laviv Group formed "Laser Industries" to produce the new CO₂ surgical laser. By 1975, purchases by pioneering surgeons and scientists throughout the world had brought the fledgling company export sales of \$270,000.

Surgeons from fifteen countries met at an international symposium on laser surgery held in Tel Aviv in November 1975 to share their experiences and medical results using the SHARPLAN 791 surgical laser. Among the advantages which doctors claimed for the new laser:

Reduced operative and post-operative bleeding, of special importance in operations on haemophiliacs, liver and kidney operations and other surgery in highly vascular areas; reduced spread of malignant cells; elimination of infection achieved by cutting without physical contact; reduced hospitalization period after operations for decubitus ulcer and on haemophiliacs.

Orders for SHARPLAN 791 have come from Australia, Austria, Belgium, Canada, Denmark, England, Germany, Holland, Italy, Japan, Monaco, South America, Spain, the U.S.A., Taiwan and Israel. Uses for SHARPLAN 791 have been found in oncology, gynaecology, urology, neurosurgery, plastic and reconstructive surgery, cardiovascular and thoracic, pediatric, ear, nose and throat, orthopaedic and general surgery.

The demand for the SHARPLAN 791 has grown. Meanwhile "Laser Industries" have invested heavily in research and further development of laser instruments.

Two additional instruments have been developed:

- * A compact laser instrument for ear, nose and throat surgery, neurosurgery and micro-surgery.
- * A laser instrument of high power for bone cutting and the treatment of burns.

"Laser Industries" are also in the process of developing a laser instrument for industrial purposes. The Technion, Haifa, and The Hebrew University, Jerusalem, cooperate with "Laser Industries" in their scientific research programme. The Ministry of Commerce and Industry, through the bureau of its Chief Scientist, is financing part of the research programme.

International interest has been shown in successful brain operations recently performed at the University Hospital, Graz, Austria, in which SHARPLAN 791 was used.

Thanks to international acceptance of the SHARPLAN 791, export orders tripled within one year and amounted to \$826,000 in 1976. As a consequence, "Laser Industries" have been named "Outstanding Exporter."

Enquiries to:

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WELL DONE Tadiran!

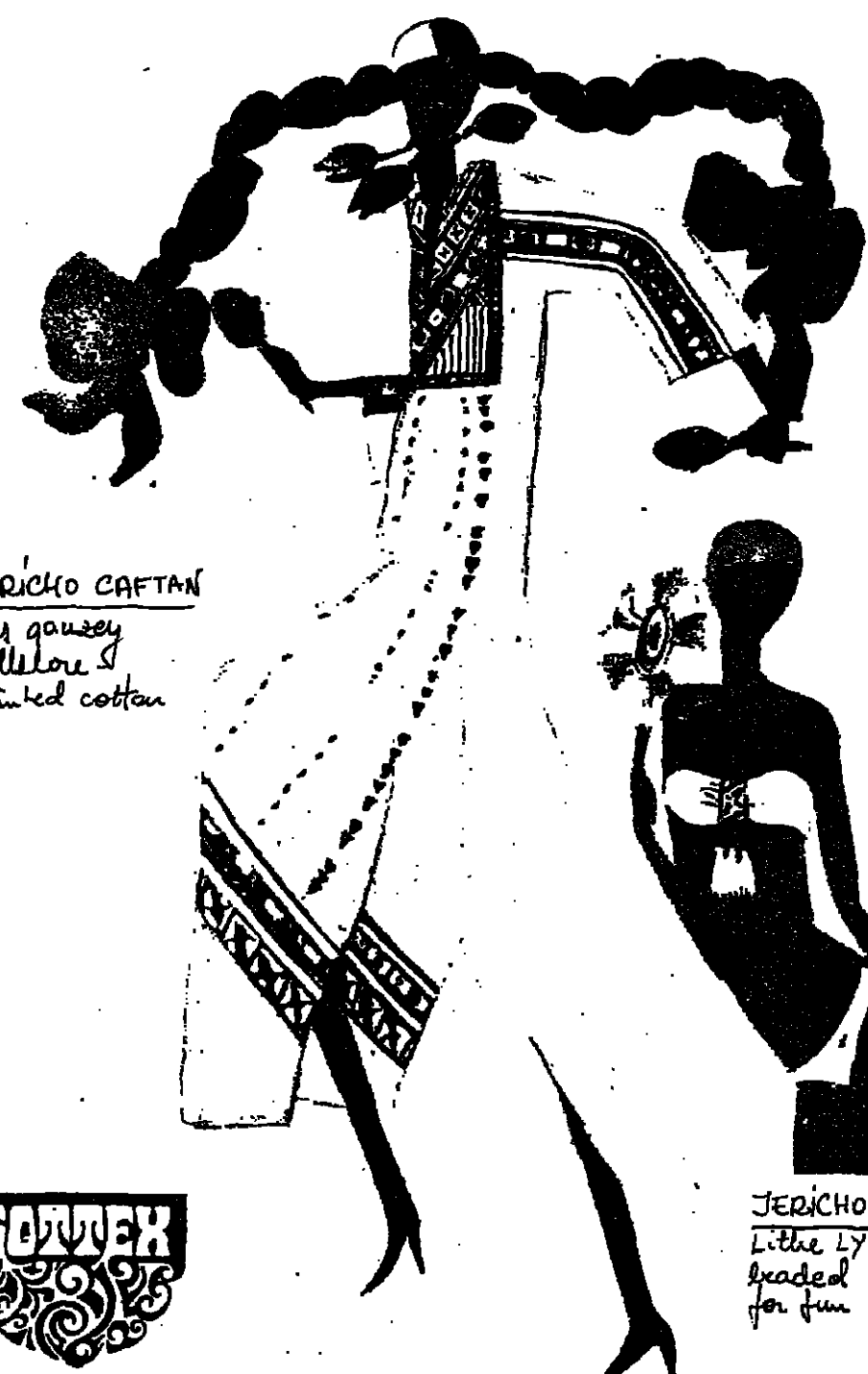
Winner of the Export Award

from its subsidiaries at home and abroad:

- AT.S. Tel Aviv
- DATIC Beit Shean
- TM&S Tel Aviv
- R.I.L. Rehovot
- CEL South-East Asia
- STS Middle East
- ELSG Europe
- CPL Africa

**Gottex
77**

1976 EXPORT \$5,140,000



JERICHO CATTAN
it's gauzy
follies &
pinked cotton



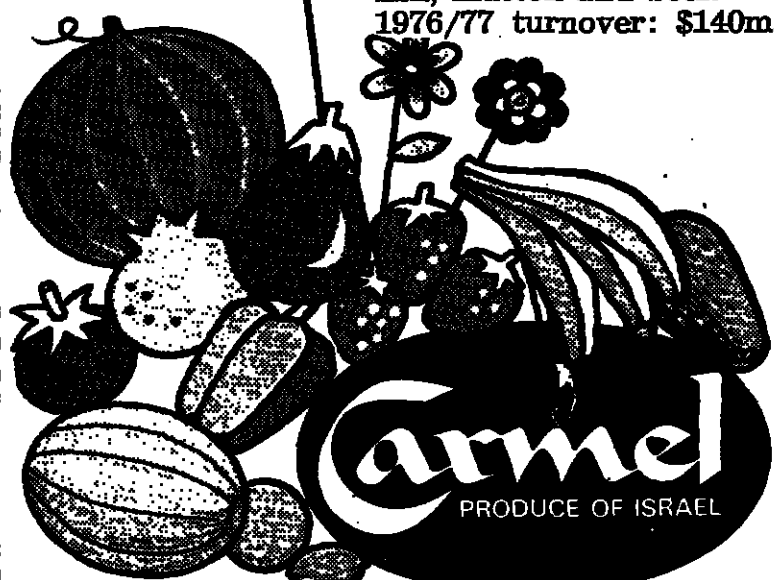
JERICHO Bikini
Little Lycra
beaded tassels
for fun

EXPORT WEEK 1977

Honourable Mention Award

140,000,000 \$

Agrexco received the Honourable Mention Award for outstanding results in agricultural exports: fruit, vegetables, flowers, poultry products, honey, fish, mutton and beef. 1976/77 turnover: \$140m.



AGREXCO AGRICULTURAL EXPORT CO. LTD.
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Electric grill ovens made by Emka of Givatayim being packed for shipment overseas. (A. Kanner)

Foreign trade director sees chance of zoom in exports

Jerusalem Post Reporter

The year 1977 may mark the take-off period of Israel's export growth, according to Ya'acov Cohen, deputy director-general for foreign trade at the Ministry of Commerce and Industry.

He told *The Jerusalem Post*: "The turning point seems to have been 1976. Following a steady growth in our trade deficit from 1973 to 1975, we witnessed last year a narrowing of that gap — from \$4,000m. in 1975, to \$3,200m.

"Though imports dropped only slightly in 1976, exports grew substantially — by 26 per cent!" Dr. Cohen noted that an advance of 26 per cent in merchandise exports is exemplary, especially since the growth in industrial and agricultural output was four per cent for the year, while the growth in service industries was nil.

since the removal of tariffs on Israeli industrial goods entering EEC countries begins this year. And we shall aim for even more trading advantages — to improve our competitive position — at the multi-lateral trade talks currently being held within the framework of GATT, the General Agreement on Trade and Tariffs. "As for trade with Common Market countries last year, Dr. Cohen reported that exports to them were 22 per cent higher than in 1976. The bulk of the increase was in consumer goods but, he added, "We shall attempt from now on to concentrate on selling products with a high technological component."

While significant export growth was shown in sales to Italy, France and the Benelux countries, Israel's trade deficit in relation to Germany and other European countries was still problematic.

As for the vast U.S. market, Israel's exports to it in 1976 totalled \$440m., 42 per cent more than in 1975. "But 70 per cent of our sales to the American market were to East Coast outlets," Dr. Cohen said. "This year we shall attempt to broaden our base in the U.S. by promoting the sale of Israeli merchandise in the South, West and

South-West. To do this, we plan to employ local experts to boost the activities of our trade commission in New York City.

Building materials, car spares, medical equipment, irrigation systems, laboratory apparatus and educational aids are among the products to be offered to the American market this year, Dr. Cohen added.

"We are aiming for an export figure to the U.S. of between \$550m. and \$600m. for 1977," he told *The Post*.

He said there were five "target nations" — Sweden, Norway, Greece, Mexico and Australia — that the Commerce and Industry Ministry sees as potential markets for Israeli goods.

In addition, efforts will be made to expand export trade in Iran, Venezuela, Japan and South Africa.

"The Government's fiscal policies have helped our export drive," Dr. Cohen observed. "The so-called creeping devaluations have made our products more attractive price-wise. Other important steps have been the unlinking of the exporters' tax rebate from the official exchange rate, and the linking of the Israeli pound to a foreign currency basket."

'Outstanding Exporter' tab goes to 12 growing firms

By AARON SITTNER
Jerusalem Post Reporter

Besides top export prize winner Tadiran and runner-up Agrexco, 12 firms — large and small — were named "Outstanding Exporters" for the year 1976.

Tadiran, the Exporter of the Year, built up its overseas sales figure last year to \$66.7m., as compared with \$11.8m. in 1975. With nearly 6,000 employees in its five plants, Tadiran manufactures and exports military and civilian communications equipment, batteries, air conditioners and other electric and electronic goods and components.

Since it was first named an Outstanding Exporter seven years ago, Tadiran has increased its exports 13 times over and today foreign sales account for about half of the company's annual turnover.

Agrexco, the agricultural products marketing organization, was awarded an honourable mention for its promotion of the sale of fresh fruit and vegetables abroad. Its main markets are in Europe, but it sells also to the U.S., Canada and Iran. Employing the trademark "Carmel," Agrexco's marketing executives have used quality control, attractive packaging and exacting delivery schedules to build up export sales from \$26.3m. in 1972 to \$71.4m. last year.

The 12 Outstanding Exporters listed below were chosen on the basis of several criteria: a 70 per cent growth in exports in the past 24 months, exports accounting for at least a quarter of total annual sales, maintenance of fixed overseas markets and a lack of complaints from foreign customers, maintenance of a quality control department and participation in trade fairs or missions.

• Toolgal Degania Ltd., Degania Aleph. Manufactures cutting tools which it exports to the U.S., Western Europe and Iran.

• Laser Industries Ltd., Neve Sharet. American, West European and South American users of medical equipment are customers of Laser Industries, which last year sold about \$750,000 worth of sophisticated equipment. Besides having 90 per cent of its output going for export, Laser Industries plows back a good part of its income into research and development.

• Israel Desalination Engineering (Zarchin Process) Ltd., Herzliya. This state corporation markets the

Zarchin process desalination installations to Iran, the Can Islands, Italy, Venezuela, Spain Portugal. Exports last year reach \$8m.

• Folkman & Dr. Koffler L. Petah Tikva. Manufacturers livestock feed and vitamin premix for poultry and cattle. Sold at \$1.8m. of their products last year Australia, the Far East, Africa the U.S. Besides formulating original premises, they send 4 own veterinarians and nutrition to foreign countries, in order to at local requirements.

• Elin Shemer Rubber Prod. Factory Ltd., Kibbutz Elin Shemer. Main products of this firm are tires and tyre retread materials, while exports to Cyprus, Greece, France and East Africa. Shemer's exports more than doubled in the past two years, to reach \$5,000 last year.

• Anit Sport Ltd., Carmiel. The worker and plant exports a full range of T-shirts and sportswear. Exports hit \$1.5m. in 1976.

• Hod Lavan Ltd., Beit Her. Swedish, British and French gourmets buy the smoked turkeys of Hod Lavan. The company's sales increased tenfold in past 24 months, and last year, for first time, exceeded the \$1m. mark. Ha'Of Ha'Meuleh, Beit Dag About \$3m. worth of this company frozen turkeys were sold last year in Switzerland, Austria, France, other countries. Export growth has been phenomenal — last year's total being 14 times greater than that of 1974.

• Or Da Industries Ltd., Rehov. Approximately \$500,000 in exports were shown last year by 1 maker of toys, games and educational aids. All the items are original design, and sales were made to Scandinavia, Western Europe, Venezuela, South Africa and Australia.

• Kohn Industries Ltd., Erez. Applying for international tenders and opening its own sales office abroad, Kohn has managed to build up its furniture exports to \$1.3m. last year. Iran and African countries Kohn's customers.

• Erick Ltd., Netanya. Exported polished diamonds worldwide. Overseas sales last year total \$11.5m.

• Cohen and Sons (Orion), also Netanya, deals in polished diamonds; exports during 1976 reached \$10.5m.

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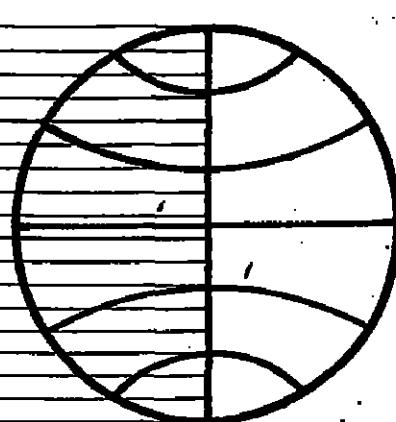


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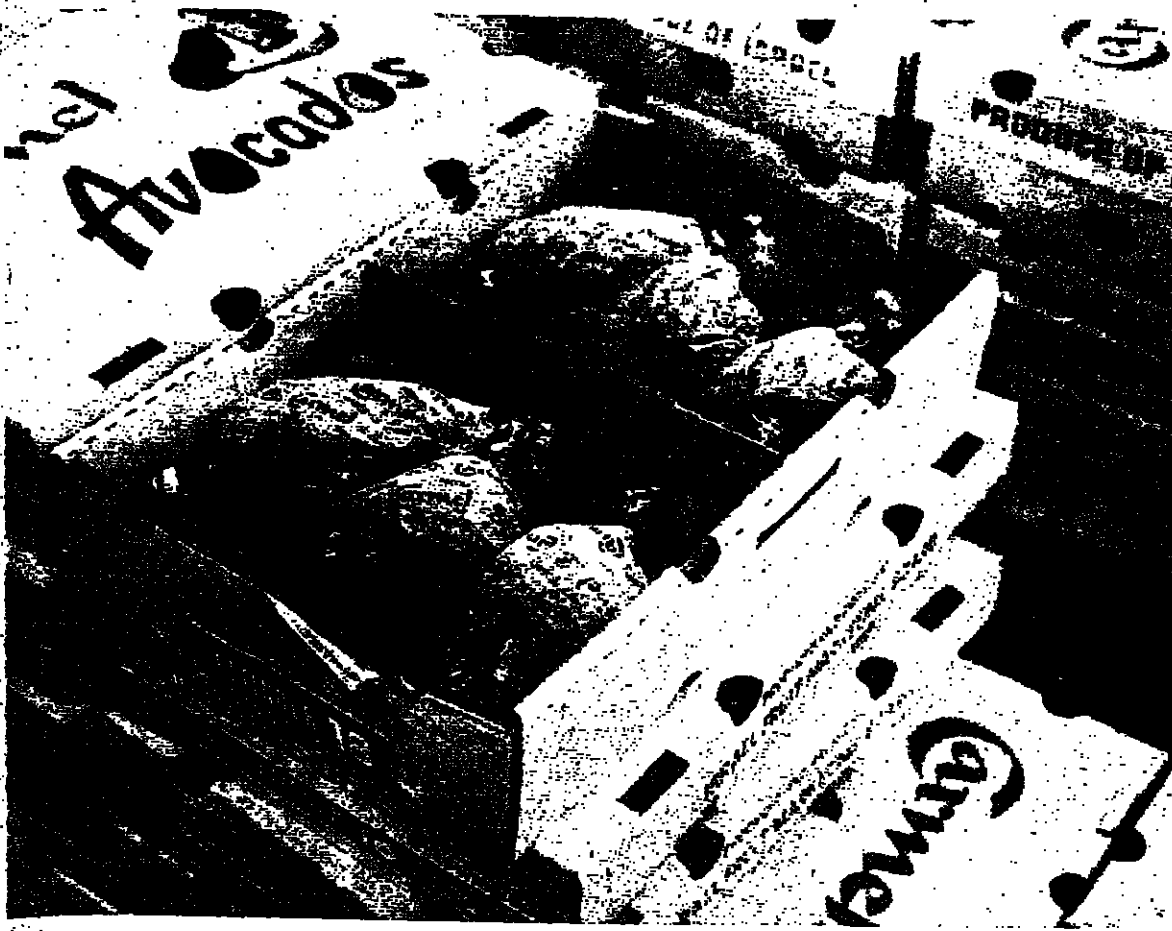
EXPORT WEEK 1977

Ministry of Commerce and Industry, Foreign Trade Commission

EXPORT WEEK 1977

Agrexco enjoys year-round success

By YITZHAK OKED / Jerusalem Post Reporter



Avocados, flown abroad by Agrexco, are among the pride of Israel's fresh produce.

Agrexco expects to end the agricultural year with about \$100m. in exports, which it hopes to increase to \$200m. by 1982/3.

An agricultural export company with a knack for performing miracles, Agrexco works best under pressure. During the Yom Kippur War, it had to switch timetables and delivery dates, but it kept the produce going out of Israel. When a blizzard hit a European airfield, Agrexco men found an alternative landing spot and enough trucks to carry the vegetables and fruits from Israel to their destination.

Moshe Shavit, the managing director of Agrexco, tries to be modest when we ask him the secret of his company's success. There are many factors involved, he says. Starting with the farmers, the best in the world. They have learned, in a short period, how to grow better and better exportable produce.

Then, of course, there is the Agrexco network abroad — dozens of high-ranking employees in the main cities of Europe. Many of them are farmers or have a farming background. They keep their fingers on the pulse of the European market.

Agrexco began by exporting produce during the winter months only; today it exports throughout the year, but the winter exports still account for about 75 per cent of its income. The challenge is to increase exports in the summer season. The company's export season starts on October 1.

Shavit is quite confident that Agrexco will achieve its goal of \$100m. this year. With the end of the winter export season, the company has already reached the \$70m. mark. This includes 15,000 tons of avocados worth about \$16m.; 250 million flowers worth about \$37m.; 3,000 tons of strawberries worth about \$6m.

Shavit and his men are now putting all their efforts into increasing the summer exports which, it is hoped, will include 12,000 tons of

watermelons, 2,000 tons of melons and 14,000 tons of onions (three times more than last year); this will mean that every day for about six weeks, a ship full of agricultural produce will leave Ashdod port for Europe.

What of the problems facing the company? Shavit prefers to talk about the rosy part of the business. After some prodding, he mentions a proposal made by a number of private investors to form a new company — Shores — that will export inferior quality produce at lower prices.

"You asked me at the start what our secret for success was. Among other things it is the reputation we have today for producing first-quality goods, the very best. And because of this we are able to request and usually get a higher price for our goods."

"If we allow Shores to export second-grade produce, in a very short time our first grade will be likened to their second grade and we will be paid accordingly. After many

years of promotion and hard work, we have drummed it into the Europeans that Israeli produce is first-grade. All this hard work will go down the drain if we allow Shores to operate."

"On top of that," Shavit stresses, "it has taken us years to make a name for ourselves as a reliable company — we deliver the goods, even while our country is at war. To be able to do this it is necessary to have a big network and the connections which we have developed. We also have the most modern transportation and storage system, with refrigerated rooms both here and abroad. The new company does not have all this. Nor does it have the experience."

When we prod him and ask about CAL, the cargo airline company that came into being because farmers wanted a cheaper way to airfreight their goods, he breaks into a great smile and says:

"Yes, this has brought the prices down; and CAL has done an ex-

cellent job by bringing back cargoes from Europe."

Shavit is quite confident about the future. "As long as we continue to introduce new products there is nothing to fear," he asserts. "This year's hits were new items. Small radishes, that you wouldn't think could go, have been sold at good prices. We exported 200 tons this season. Sweet corn on the cob, 70 tons this year. We expect to increase this to between 300 and 400 tons next year. The new beefy, flat, round tomato we call 'Eshkol' has sold very well. We only sold 5,000 tons this year, because of a frost in the Rafiah region where it grows. We hope next year to sell 12,000 tons."

What about new markets? Shavit again breaks into a huge grin. "You ask this as though we've finished feeding the 300 million people in our present European market!"

Shavit admits, however, that Agrexco has started exporting to America — mainly flowers. He believes that selling flowers in small bundles at American supermarkets could turn out to be a profitable and of course pleasant way of cementing our ties with the American people.

'Sparklers' continue to lead the exports

Jerusalem Post Reporter

Diamonds are still Israel's top export. Though this is not new, something happened in the industry in 1976: exports rose by 30 per cent to \$712m. This, industry leaders agree, is the top spot in the world for sales of polished diamonds, with markets in every continent.

Trade circles attribute this growth to the general expansion of the industry. And this, they add, is due to stability — the good labour-management relations that resulted from the signing of the last work agreement.

Another factor is increased automation in Israel's diamond-processing plants. Even small shops have begun to automate.

"We could use hundreds — perhaps, thousands — more diamond cutters and polishers right now," an industry representative said. "But," he added, "many diamond factories hesitate to initiate active hiring campaigns. They don't want to risk investing lots of time and money training workers, only to see them snatched away later by some competing firm."

Shavit is quite confident that Agrexco will achieve its goal of \$100m. this year. With the end of the winter export season, the company has already reached the \$70m. mark. This includes 15,000 tons of avocados worth about \$16m.; 250 million flowers worth about \$37m.; 3,000 tons of strawberries worth about \$6m.

Shavit and his men are now putting all their efforts into increasing the summer exports which, it is hoped, will include 12,000 tons of

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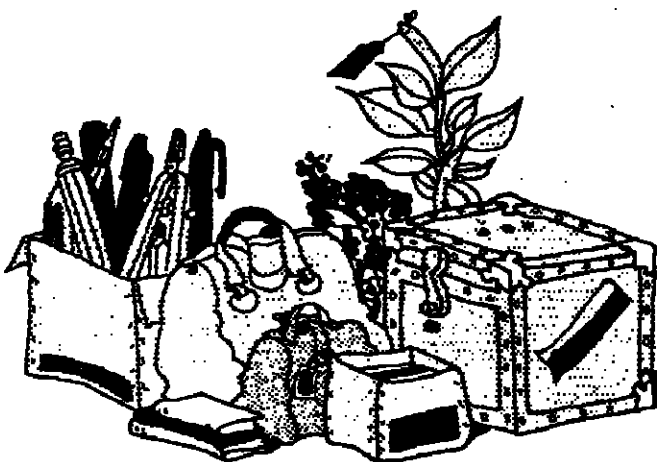
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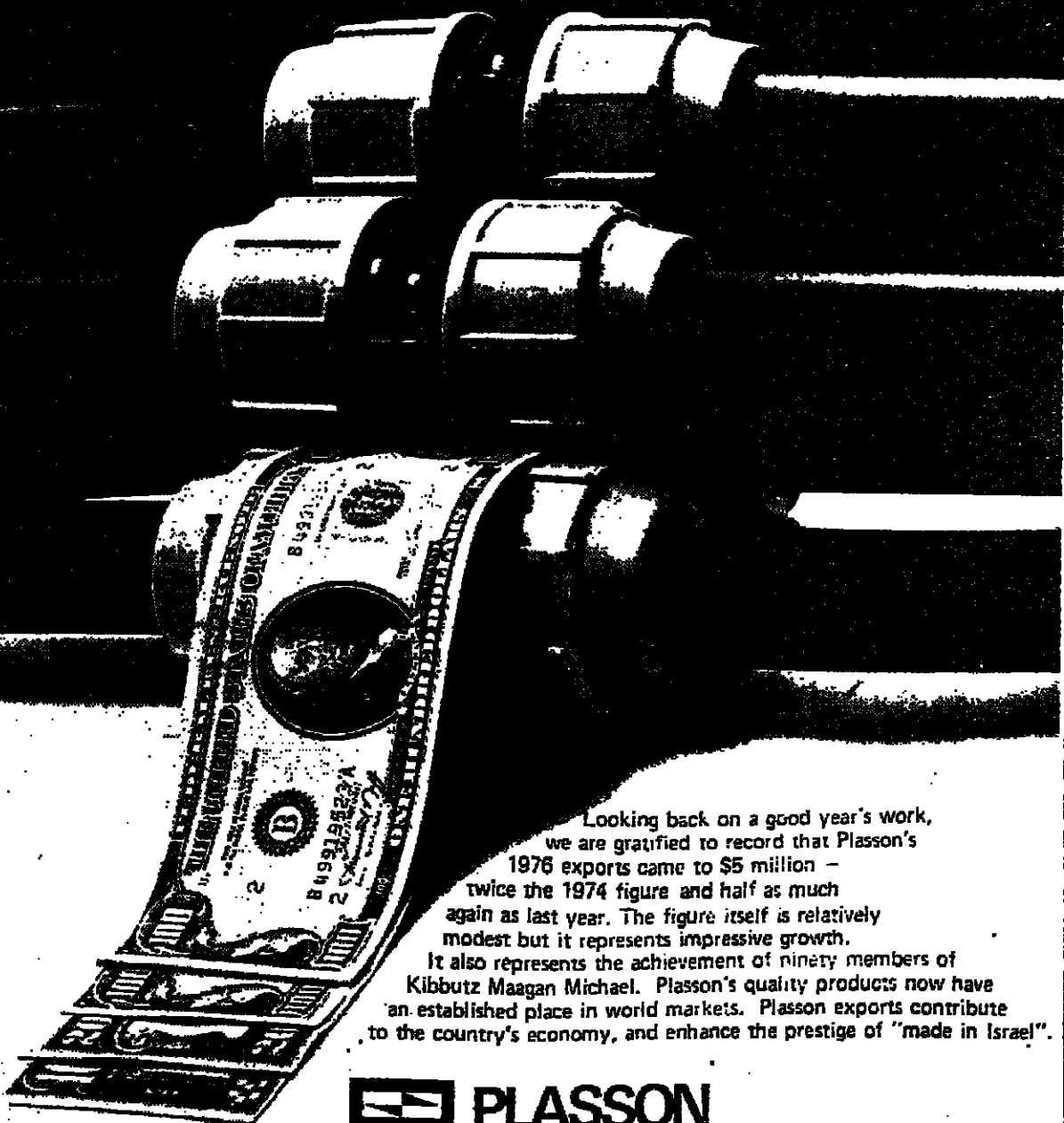
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5 million a year



Looking back on a good year's work, we are gratified to record that Plasson's 1976 exports came to \$5 million — twice the 1974 figure and half as much again as last year. The figure itself is relatively modest but it represents impressive growth. It also represents the achievement of ninety members of Kibbutz Maagan Michael. Plasson's quality products now have an established place in world markets. Plasson exports contribute to the country's economy, and enhance the prestige of "made in Israel".

PLASSON

AVIV STOCKS

Officials warn against speculative excesses

AVIV. — A general warning to the public about speculative excesses issued by the management of the Aviv Stock Exchange along with a press report alleging widespread participation in the sale of shares, cast a pall over yesterday's share market. At a turnover of 112.6m, the market was only slightly moderated by the warning. A switch of funds from the speculative shares into higher issues.

Natad investment dollar another six agorot to stand at 1.00. Bank Leumi's new shares gained one to 320. Union gained five to 355. Among the big banks Carmel was only one and was fixed at 399. It was four lower at 370. In the recent price run-up, it was hit by selling. Arsyah was only one and was priced at 722. It suffered a similar fate and ended at 514. Sahar lost 39 to 920. It was hit by 12 to 618.

Idol-related issues had a bad day. Registered lost 32 to 404. Shares were unchanged. There were no buyers for Jorploration shares and options. "Sellers only" and were 1 at 4,085. Paz Investments lost 1 and was priced at 712. A and Lapidot rose slightly as used at 1,700. General Index of Share Prices 1.68 per cent to stand at 125.22. Fine Gold Storage ILA shares, in a thin float, were "buyers only" and were priced at 1,390. The liquid ILA shares suffered a 1.5% fall and were fixed at 645. Development and real estate segment suffered from profit-taking. A typical example of naive issue, was "sellers

only" and dropped to 212. The options lost seven to 106.5. Agriculture and ILDC lost six and two points, respectively. In view of the recent strong rise in these shares the action was viewed as favourable. Property and Building which had risen about 10 per cent in the past week, was eight lower at 303. Mahadrin fell sharply by 30 to 810. Pri Or gained seven to 430.

Industrials also felt the brunt of the profit-taking. Elco ILA.5 was 28 lower at 471. Electra ILA lost 25 to 534 while the ILA shares were 23.5 lower at 396. The options were 17 lower at 268. Argaman pref. lost 20 to 519. Dubek was dropped for a 29-point loss to 596. American-Israeli Paper Mills remained unchanged at 325.5.

Elite, however, was sharply lower as a result of a 22-point drop to 446.5. Frutaron was "sellers only" and was established at 192. In comparison to other segments, the investment companies performed well above the average. The apparent switching over to better quality shares was reflected in relatively sharp rises in the shares of the big three banks. Bank Leumi gained eight to 305.5 while Discount Investments was seven ahead at 267. Hapalim gained four to 263.

Wolfsol ILA0 was "sellers only" and dropped to 189. Ampa followed suit to 242. Koor was "buyers only" and was raised to 927. Piryon lost 27 to 638.

Most active issues	
L.D.B. "B"	142 p.p. ILA 171.700
Bank Leumi (cap. notes)	139 n.c. IL903.000
Options	104-32 IL26.3m.
Shares Traded:	IL17.4m.
Bonds:	IL11.61 + 6 ag.
Natad:	
Demand: \$286,000	
Turnover: \$248,000	

LINKED	124.77	124.77
TURBES		
See	b 384	382
See Junior	r 538	539
See Corp. B.	r 385	382

ASE IN	126	128.1
58		
LINKED		
al and Interest		
1968 (1)	b 765	763
1967 (1)	b 762	750
(1)	b 346.5	346.5
(4)	b 261	260.5
1.6.9% (68)	b 378.5	378
10.9% (91)	b 321.5	321.5

ALIS		
(3001)	b 356	354
	b 327.5	327.5
BTABLES		
3	r 351	350
mi (5)	r 161	161
trah (2)	b 161.5	161.5
labot (30)	b 260	260
ek	b 135.5	135.5
re. Inv. (72)	b 185	180.5
and inv. (102)	b 185	180.5

FINANCIAL		
TIIONS		
lyahvut	r 272	272
ref.	r 479	475
bankholding	r 312	312
A"	r 390	390
"A"	r 490	490
Urah	b 309	308
m	b 293	293
rtage	b 252	252
Mortgage	b 223	223
Mortg.	b 207	207
8% pref.	b 374	374
Dev. 8% pref.	r 155	155
r	r 722	720
h Insurance	b 514	541
"C"	b 920	959

ESTATE		
DEVELOPMENT		
ITRUS		
Israel ILA0	r 160	158.5
nd Dev.	r 600	606
	b 198	200

Hour before closing, April 13

STOCKS

Stocks travel up, down, up

YORK (AP). — The stock market slumped and then regained its footing yesterday in an erratic session.

The Dow Jones average of 30 industrial stocks was down a fraction point half an hour before the market closed. It then edged up to 1,000.00, a 1/4 point gain on the day.

20%	Fair Cam	33	Mobil	67%
20%	Gen Dynam	55%	Monasanto	77%
20%	Gen Foods	53%	NCR	34%
20%	Gen Motors	31%	Occ Pet	26%
20%	Gen Tel	69%	Pan Am	54%
20%	Gen Tire	27%	Phil Pet	56%
20%	Gillette	26%	Polaroid	33%
20%	Grace	28%	RCA corp.	29%
20%	Gulf West	13%	Royal Dutch	26%
20%	Gulf Oil	13%	Sears Roe	58%
20%	Howell	27%	Singer	22%
20%	IBM	27%	Sony	10%
20%	Int Paper	27%	Sperry Rand	34%
20%	Int. T & T	32%	Teledyne	58%
20%	John John	32%	Texas	29%
20%	L.T.	32%	Texas Ins	34%
20%	Liton	10%	Twent Cent	10%
20%	Lockheed	10%	U.S. Steel	47%
20%	Macy	33%	West Union	17%
20%	Medcon-Doug	20%	Woolworth	25%
20%	Merr Lynch	18%	Xerox	48%
20%	Minn MM	30%	Zenith	24%

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YOUTH CONCERT: Sunday, April 24, 1977, 4.30 p.m.

Tickets at Garber, Central Carmel; Nova, Hadar Hacarmel, and at the Auditorium box office on the evening of the concert.

MOTORING

GM calls it quits on its \$140m. gamble on the Wankel rotary motor

DETROIT (AP). — General Motors Corp. announced Tuesday it is abandoning all future work on the rotary engine because of poor fuel economy.

GM's disclosure that it has discontinued research and development of the Wankel rotary comes seven years and an estimated \$140m. after the giant U.S. automaker first began work on what was hailed at the time as a revolution in engine technology.

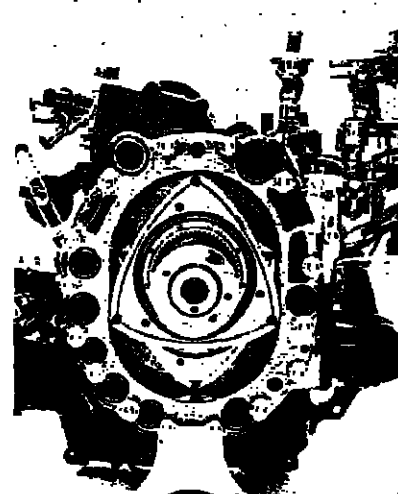
GM said that its rotary engines "do not demonstrate the potential for low emissions levels and fuel economy equal those of current reciprocating piston engines."

GM, which had planned to market a rotary-powered car in the 1976 model year, put its rotary programme on the back burner in the fall of 1974 because of emission and fuel economy problems. But the firm said at the time the research on the engine would continue.

In addition to the cost for research and development, GM has paid \$42m. for worldwide licensing rights to produce the engine.

While a conventional engine is powered by pistons which alternately move up and down in their cylinders, the rotary uses triangular rotors which spin inside a figure-eight-like chamber.

The Wankel rotary, named for its West German inventor, received



A LOOK INSIDE A Wankel-type motor. This is the first French rotary engine, the GS Birotor developed by Citroen and shown at the 1973 Paris car show.

much attention at the start of the decade, because it outperformed a piston engine of comparable size, and because it had fewer moving parts — which meant lower production costs and less maintenance.

GM began a rotary development programme in 1970 after signing a worldwide, non-exclusive licensing arrangement with AUDI-NSU, the

Wankel company and Curtiss-Wright.

In August 1972, GM announced that its engineering and development had proceeded to the point where it would offer its own version of the engine in the Chevrolet.

However, the Mid-East oil embargo in the fall of 1973 focused attention on poor fuel economy relative to a comparably sized piston engine. GM engineers later discovered difficulty in meeting Federal emissions standards.

That prompted then-GM president Edward Cole, to announce that GM was scrapping plans to market a rotary-powered car, indefinitely.

Toyo Kogyo Ltd. of Japan, the world's largest manufacturer of rotary engines, has been offering Mazda cars with rotary engines in the U.S. since 1970. But sales, which initially skyrocketed, have been in a deep nosedive since 1974, after the U.S. Environmental Protection Agency said the cars got 80 per cent poorer fuel economy than piston-powered vehicles.

GM has paid AUDI, Wankel and Curtiss-Wright a total of \$42m. in licensing rights for production of the rotary.

Originally, GM was to have paid \$50m. but the firm altered its agreement last year so that it would make additional payments only if the engine went into actual production.

Americans resume their love affair with the big car

DETROIT (AP). — Automobiles and petrol got more expensive, but the American market for heavy, expensive luxury cars keeps growing and growing.

Total car sales in the U.S. this year so far are up 10 per cent over 1976. But Cadillac, Lincoln and German's Mercedes-Benz — the industry's biggest-selling luxury cars — are already 20 per cent ahead of last year, when a record 470,000 of these makes were sold.

Auto executives predict luxury sales will reach 550,000 this year. That means five per cent of new car buyers in the U.S. have paid \$10,000 and up for a new Cadillac, Lincoln or Mercedes.

In 1970, about 250,000 luxury cars were sold — about three per cent of the market — and then a Cadillac sold for as low as \$6,000.

"America is getting more affluent," says one auto analyst.

"Incomes have gone up faster than the cost of many luxury items."

Some automobile executives think much of the new affluence is due to an increased number of working women contributing to family income. Another factor is that buyers believe the end is near for the big, so-called full-size car. Ford Motor Company's Lincoln, the industry's biggest car, is attracting buyers who "want one of the big ones," as one executive put it.

The only recent decline in luxury sales was in 1974, when the Mid-East oil embargo triggered a fuel shortage panic. When consumers were reassured they could get petrol, the market bounced back.

In any event, not all luxury car buyers even think about the money. "The top-line nameplates have an attraction that is undimmed by the mundane problems of recessions and economic recoveries," one analyst said.

Demand to speed up driving tests

By ARYE ALCALAY

Jerusalem Post Reporter

Driving school operators in Jerusalem complain that the Transport Ministry is dragging its feet on a promise to share the right to give driving tests with private institutions. They say that such a move was promised by Transport Minister Gad Ya'acobi.

Increasing the number of places where driving tests may be taken will improve service to learners and reduce the time they now have to wait for a test appointment. A great

improvement in service was noticed after the Ministry delegated to several private firms the right to make the annual car test.

Learners now sometimes wait for three months before receiving a driving test appointment.

While some driving schools report business as usual, others have noticed a reduced demand for lessons as new-car sales have dropped in recent months.

Forty-minute lessons cost IL72 in Jerusalem now, while the price in Tel Aviv and Haifa is IL82.

The press must be free

(Continued from Monday)

This is especially so, he continued, when the rival right is the right of an office holder to protection against the publication of matter likely to injure him in his public office (see also Cr. A. 24/50, P.D. 5/1160). For the opportunity to criticise, on political, social and other grounds, any action of the government, its institutions, members, representatives and servants, is a *stus qua non* for the preservation of a democratic regime, even if this criticism be vehement, caustic and unpleasantly sharp. (See Cr. C. 208/61, P.D. 15/728; and New York Times v. Sullivan 376 U.S. 254, 84 S. Ct. 721 (1964).)

The freedom of the press, Justice Shamgar continued, is one of the facets of freedom of expression and, furthermore, the main field for examining the scope and true existence of this freedom. However, although rules pertaining to the right to criticise public figures on matters coming within the purview of their public office applies equally to the press, that does not mean that the media are at liberty to express themselves with unbridled license or that they are subject to no restrictions. On the contrary, they are subject to the specific restrictions with respect to good faith contained in section 16 of the Defamation Law. But any tendency to add to these restrictions for purposes of any individual case would be fraught with danger to the main and overall task of the press, namely, helping the reading public to formulate opinions by providing them with information and the necessary background for making up their own minds.

The express provisions of the Israel Defamation Law, Justice Shamgar went on to hold, are completely consistent with the principles and values set out above, as witness the provisions of section 13, with respect to permitted publications, of section 14 with respect to the plea of truth, and section 15 with respect to good faith. But, he continued, before entering into the question of whether the defence does exist in any particular case, it must first be established whether the matter published was in fact libellous: that

IN THE SUPREME COURT

SITTING AS COURT OF CIVIL APPEALS

Before Justices Berinson, Shamgar and Ben Porat

1. "Ha'aretz", 2. Yair Kotler & Others, Appellants, v.1. Israel Electric Corporation, 2. Ya'acov Peled, respondents (C.A. 723/74)

is, whether the court is of the opinion that the words used were understood or construed within the framework of their context as libellous by the ordinary reader, or listener, without any connection with the publisher's intentions.

In the case under consideration, he held, the article in question implied that the respondents had intended misleading the public and this was libellous within the meaning of section 1 of the Defamation Law (which defines defamation as being either *adafa*, the publication of matter which may lower a person in the estimation of others, or bring a person into disrepute, or injure a person in his office).

Justice Shamgar then went on to consider whether the appellants in the present case could rely on any or both of the defences of "truth" and "good faith" as defined in sections 14 and 15. Since the first defence applies to facts, and the second to opinions, he said, it is necessary to classify the matter printed in the article into these two categories. In so far as most of the facts concerning the acquisition of the car, its return to the Goldberg Agency, and the instructions about its sale are concerned (they were proved to be true, and as there is no disputing) that their publication was in the public interest, the defence of "truth" was open to the appellants, even if they contained libellous matter.

As to the other matter printed in the article, before deciding whether the appellants were entitled to any of the two defences with respect to

them, Justice Shamgar held, he would first have to discuss the significance of section 15 (which deals with good faith) in general and of section 15 (4) (which deals with expression of opinion on the conduct of the injured party) in particular.

An examination of section 15, together with section 16 (which deals with the onus of proof of good faith reveals that section 15 deals with both facts and expressions of opinion, and that the decisive question is whether the publication of either the facts or opinions was made in any of the circumstances set out in this section. Once it is proved that the facts or opinions were published in any of the circumstances set out in section 15, then the publisher will benefit from the presumption contained in section 16; that is the presumption that he made the publication in good faith.

(To be continued)

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Official Exchange Rates

U.S. \$	9.2590	9.2868
Sterling	15.9004	15.9800
DM	3.9035	3.9250
French Fr.	1.8623	1.8716
Dutch Fl.	3.7433	3.7621
Swiss Fr.	3.6742	3.6926
Canadian \$	8.8016	8.8457
Australian \$	10.2719	10.3233
Rand	10.6373	10.6905

INTERBANK LONDON

SPOT RATES:

Dollar	1.7194/97 per £
DM	2.3760/70 per \$
Swiss Fr.	2.5215/25 per \$
Libra	887.15/35 per \$
Belgian Fr.	36.435/445 per \$
Dutch Fl.	2.4755/70 per \$
Yen	271.55/55 per \$
French Fr.	4.9670/80 per \$
Danish Kr.	5.9915/30 per \$
Swedish Kr.	4.3550/60 per \$
Norwegian Kr.	5.2839/42 per \$
Gold price:	\$151.00/150

FORWARD RATES:

3 Mos	1.7125/138	1.7013/223	1.6822/833
1 Yr	2.3747/757	2.3704/724	2.3625/650
Sw. Fr.	2.5160/180	2.5053/073	2.4910/930



A DITCH-FULL OF SILVER CARP resulted yesterday morning when a truck carrying four tons of the fish overturned on its way from a northern kibbutz to Haifa. Passersby helped themselves to the free fish. (IIPA)

Alliance tire exports to the U.S. were \$20m. last year

Jerusalem Post Reporter

"Alliance tires are competitive both in price and in quality. They're good tires, reliable and are gradually becoming familiar as an accepted trademark," explained Don Jacobs of Central Delta Tire of Chicago.

Jacobs, along with 14 other Alliance tire distributors from the U.S., has just completed a ten-day tour of Israel. The visiting distributors were guests of Alliance, as part of the firm's expansion of efforts to sell in the American market.

In 1976 the company's exports to the U.S. amounted to \$20m., or 55 per cent of total exports last year.

One of the key aspects in selling tires is their acceptability and repeat business. Commenting on this facet Stanley Laiderman of Banner Tires of St. Louis remarked, "We already have a number of customers who have come back to us and requested the Alliance tire. The Alliance tire has our complete backing. The customer is certain that we offer him the best tire which is fully backed by our organization."

Alliance penetration of the American market may also be traced to the fact that they supply European sizes as well as a specialty tire. "Alliance was among the first to introduce metric designations and it benefited from this fact," stated Don Jacobs.

The production and marketing philosophy of Alliance was best described by Joseph Ra'anan, the company's president. "We fill in the gaps, producing the low-sales-volume tire and one that requires a relatively large amount of production labour. We stay away from the

popular sizes and styles which the American firms can mass produce and offer at lower prices," explained Ra'anan.

Distribution of the Alliance tire line is handled by 30 distributors scattered throughout the U.S. The company is currently celebrating the 25th anniversary of its founding. Its staff has grown from 177 in 1952 to about 2,500 now.

Alliance runs an active research and development centre. The activities of the centre are in four areas: design and construction development, compound research, laboratories and testing. The laboratory checks all incoming raw materials and the testing centre is partly engaged on routine testing in accordance with American Department of Transportation Motor Vehicle Safety Standards.

Equipped with the most modern equipment for rubber and textile research, the centre has miniature sized production equipment for simulating production techniques under laboratory conditions prior to their introduction into the plant. The R & D Centre also has ultraviolet and infrared spectrophotometers, an ozone test chamber and highly sophisticated microscopes.

One of the practical achievements of the research carried out in the past year is the development and introduction into production of a special anti-skid compound for winter tires.

The company's progress, over the years, has truly resembled that of a "growth company." Its shares are listed on the Tel Aviv Stock Exchange and on the American Stock Exchange.

Senior officers volunteer to help army fight wave of road accidents

Jerusalem Post Reporter

TEL AVIV. — Dozens of Lieutenant-colonels have responded to an appeal by the military police to volunteer as traffic observers as part of the army's drive against road accidents, the army magazine "Bamahaneh" reports.

They were joined by a number of reserve officers of military police units, who will donate their time during the year between stretches of active duty.

The army this week starts a month-long safety drive.

Car owners form own insurance company

TEL AVIV. — The Ezra Car Owners Association is about to receive permission to form its own car insurance company. One problem is that the association must make arrangements for obtaining re-insurance.

Eliyahu Yehle, one of the founders of Ezra, admitted that the group could not now follow through with its earlier promise of cutting no

Off and running

THE PARTIES — all 24 of them — have submitted their lists, and the race is on.

It is by far the strangest electoral contest in the country's experience. The major party, Labour, is to be led by its (internal) loser, Mr. Peres, while its winner, Mr. Rabin, is to vacate his primary role, but meanwhile has decided to retain it.

The principal opposition party, for its part, has suffered a profound setback by the virtual incapacity of Mr. Begin to participate in its electoral campaign. Yet it pretends that this neither does, nor should, make a difference — despite the fact that without Mr. Begin the Likud is a nondescript collection.

The new challenger, Mr. Yadin and his DMC, highly touted at first, has still failed to make an appreciable dent in the public imagination except among the enthusiastic faithful. Nor has it yet managed to discipline its populist energies sufficiently to complete its platform.

And on the margins, the small parties snipe away, either harmlessly, in the case of most, or at themselves, as in the case of the NRP and the Independent Liberals.

The process of constructing the Knesset lists itself deepened the internal discontent which afflicts our parties, always in danger of the proportional system's weakness for splits.

The Alignment, which barely managed to hold itself together, must now overcome the justifiable anger of its Haifa region which is clearly under-represented in its Knesset list. And the Likud, spared the headache of fitting Mr. Sharon and his remaining cohorts into its list, must nevertheless soothe some injured hopes.

On the whole, however, the next Knesset will be younger, with new and less experienced members. For the democratic unravelling of centralized party power swept over all the parties this year as they prepared for the elections. As in the past, the party with, ironically, the greatest image of rigidity — Labour — freighted up its list the most. For 26 of the 44 Labour MKs who entered the last Knesset are missing from its new list.

The Likud has also admitted more new faces than in the past, made possible, of course, to some degree by the defection of personalities like Sharon, Benyamin Halevi, Shmuel Tamir and Akiva Nof.

The new faces in the various lists will intensify the rhetoric of "change" which has so far dominated the strategy of the parties. But that rhetoric cannot of itself be considered adequate fulfillment of the parties' responsibility to address themselves to the issues which will face the nation in the months ahead.

Quite the contrary, the general fever to get on the bandwagon of change has furthered the historic process of dimming the distinctions between the major parties, which in earlier days were so stark and definite.

What the principal parties must do in the next stage of the campaign, therefore, is to delineate their differences on the major issues confronting the country.

Martyrs' and heroes' day

ISRAEL'S FLAGS are at half-mast today in remembrance of the martyrdom and heroism of the Jewish people during the Holocaust.

The six million who perished in the ghettos, in the fields and in the crematoriums during the Second World War were doomed — by the single-minded inhumanity of their Nazi killers, by the callousness of most of their neighbours, and by the convenient indifference of the embattled free world. That so many Jews should have resisted their tormentors in these conditions is more cause for marvel than that the rest of them did not rise up in revolt.

Their example is a constant reminder to Israelis that the supreme moral purpose of this state is to make sure that Jews never again helplessly face a threat to their national survival. To the nations of the world, Israel's rebirth was in part an act of expiation for the genocide perpetrated on the Jewish people. That is precisely why Israel's enemies, today more than ever before, are busily distorting the record of the Holocaust and defaming its victims.

Neo-Nazis, Arab nationalists and Soviet Communists have joined in an effort to minimize the extent of Jewish suffering and to charge the Jews — especially, of course, the Zionists — with plotting their own destruction.

The frame of mind manifested in the obscene equation of Zionism with racism also expresses itself in the denial of the crime of the extermination of the Jews.

The conspiracy of the falsifiers of history will not succeed. The memory of the six million will haunt the conscience of mankind till the end of time.

ISRAEL PRESS

Rabin's non-resignation

HA'ARETZ (Independent) notes that, while Attorney-General Barak undoubtedly interpreted the law (regarding the possibility of a prime minister resigning from a caretaker government) correctly, the situation thus created is far from satisfactory. In terms of "one's feeling of public order." The paper goes on to point out that Mr. Rabin himself stated, when he resigned from the Labour Party leadership, that he would seek to end his term of office as prime minister, though he was aware of the legal difficulties involved. "That is to say, he realized that he had not only to relinquish the party leadership, but also that his continuing to serve as prime minister could not be reconciled with the Alignment's interest to forestall

negative implications for its election prospects. While this reason in itself is a gravely flawed one, nevertheless, if it is correct, it must arouse the electorate against the strange and repelling sight of a politician continuing to serve as prime minister even though he and his wife have violated the law." The paper then notes that the administrative penalty imposed on Mr. Rabin — whose "knightly gesture vis-a-vis his spouse held good for only four days" — is not to be taken as "exoneration," and concludes by calling for an amendment to be made forthwith to the Basic Law: The Government, so that the premier can be replaced by another minister who would serve as acting prime minister.

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EXPEDIENCY AND MORALITY IN POLITICS

"GREAT CASES, like hard cases, make bad law," the great American jurist Oliver Wendell Holmes wrote more than 70 years ago.

Were he considering the constitutional issues involved in Mr. Rabin's resignation — or non-resignation — from a transition government, he would undoubtedly chalk it up as another proof of his thesis.

"Great cases," said Holmes, "are called great not by reason of their real importance in shaping the law of the future, but because of some accident of immediate overwhelming interest which appeals to the feelings and distorts judgment. These immediate interests exercise a kind of hydraulic pressure which makes what previously was clear seem doubtful, and before which even well settled principles of law will bend."

It is in all these senses that the Rabin case is "great." In its early stages it raised questions about the prerogatives of some of the major state institutions: the Finance Ministry and the Attorney-General. Should a fine for the Rabin's foreign currency have been sufficient, as the Ministry contended, or were legal proceedings required in the case, as the Attorney-General argued?

THIS CLASH in itself drew attention to the complex duality of the Attorney-General's role.

On the one hand he is the legal adviser to the Government, determining for it what is legally proper

and improper — or, if you will, constitutional or unconstitutional. On the other hand he is in charge of the State Attorney's Office, deciding what is (or should be) actionable in court, and what is (or should be) investigated by the police with a view to court action. When the client for constitutional advice also happens to be the subject of possible court action, this duality of function is liable to breed contradiction and uncertainty.

In its present stage the Rabin case has also revealed the shortcomings of the Transition Law. Originally designed to assure continuity of government even after a cabinet has resigned, the law turns out to assure confusion as well, by not defining more clearly when authority may be transferred if necessary — even in a Transition Government.

Under a constitutional system, these "great" questions would be determined by a Supreme Court, basing itself upon precedent and accumulated wisdom. But we have neither a written constitution nor a great deal of precedent, the issue is being decided by the major actors in the drama themselves.

Mr. Rabin's decision to stay on as Prime Minister was dictated by his own personal or political inclinations, and not by any legal imperatives, argues ERWIN FRENKEL.

Thus while the issues are legal, the decisions, as Holmes wrote, are being made on the basis of "immediate overwhelming interest."

THE ATTORNEY-GENERAL is not a Supreme Court. His opinion on whether Mr. Rabin could legally resign his office in a Transition Government was itself open to interpretation, certainly more interpretation than the various official spokesmen — and, for that matter, the press — allowed.

For Section 19 of the Basic Law says that "if the Prime Minister is absent from the country or if he is temporarily unable to fulfill his

duties," the Cabinet may appoint another Minister to temporarily replace him. Mr. Barak stated specifically that the phrase "unable to fulfill his duties," could be broadly construed. Thus, by the Attorney-General's leave, Mr. Rabin could have told the Cabinet on Tuesday that since the foreign currency affair had impaired his moral authority to serve, he was "unable" to continue in office. The decision was up to Mr. Rabin himself. He chose differently — namely to stay on, and not to bring his term in office to a close "as soon as possible," which is what he undertook to do in his address to the nation last Thursday night.

It was his own personal decision — not the Attorney-General's, nor the Cabinet's. At least no Cabinet member had the temerity to challenge Mr. Rabin on this point.

IN ANY CASE it should be plain that the Prime Minister's determination of his course of action was not dictated by any legal or constitutional imperative, but was strictly a personal or political choice. Perhaps Mr. Rabin had concluded he should not have "resigned" in the first

place, since he believed his offer to have been minor. Or perhaps he was encouraged by the display of public support that followed his announcement that he was stepping down to be tried together with wife, if the need arose.

Or perhaps he was buoyed by advisers, supporters and patriots chagrined by the danger of a P. take-over of Labour, who urged to stick on at all costs in order to reclaim leadership from Peres some opportune time after the elections.

WHATEVER the reason, it was the "great case" of law that led to the course of action but "immediate overwhelming interest."

It is precisely this point which being conveniently ignored around the rug, in the interest of a Prime Minister, the Peres campaign, silent, either because don't want to be accused of Jewish politics, or because, keen on the outcome of the elections, don't want to cause Labour the embarrassment. Meanwhile the position is too important to care even to know.

WHETHER this kind of expediency approach to the moral requirement of leadership of nation and party, the national interest, is dubious.

But if political expediency is the name of the game, let us at least invest it with the sanctity of law.

Dry Bones



READERS' LETTERS

RABIN'S RESIGNATION

To the Editor of The Jerusalem Post

Sir, — It is a shame to hear over the BBC that "it is a pity that a man like Yitzhak Rabin, a man who was responsible for the action at Entebbe and who did so much for the improvement of the relations between Israel and the United States, feels he has to resign."

I am not a member of the Alignment, but have been a good Israeli for 41 years. Democracy — yes. Law and order — yes. But haven't we over-reacted this time?

HANS VANDSBURGER
Haifa.

THE TRAVEL TAX

To the Editor of The Jerusalem Post

Sir, — For more than 15 years, I have waged what seems to be a Don Quixotic fight against the travel tax, and the latest public argument about the tax for the basketball fans who wish to see the game in Belgrade causes me to raise the matter again.

I am especially disappointed that Knesset members of parties who put their fight against the travel tax into large advertisements during the last elections should now have forgotten all about it and raise their voices in favour of the tax.

As it stands, there should be no argument against the logical and legitimate wish of the Government to try to save foreign currency by making its allocation for travel more expensive. After all, the dollar rate for car purchases is about IL40, for refrigerators IL25, and for many other commodities approximately this figure. So, it should be rather difficult to argue for obtaining the travel dollar at the official rate.

However, the application and implementation of the travel tax is entirely absurd, immoral and also illegal according to international laws and standards.

A head-tax on every traveller disregarding the distance of his trip makes it a toll to obtain freedom to travel. It is contrary to the human rights' declaration of the United Nations which was used so valiantly and efficiently by the Israeli delegation to fight the Russians; it is unacceptable by ICAO standards, to which Israel is a signatory; and it was criticized several times by the IATA headquarters in the past.

The only way to apply a proper taxation would be to accept a suggestion aired several times in the past years by aviation and travel experts in this country, which is to introduce travel dollars with a reasonable exchange rate for which the traveller can then buy his ticket and take his travel money, without any limitation (or, obtain their dollars from friends and uncles abroad). In this way, the Government would prevent an argument of the issue and avoid nasty remarks by its own citizens and last but not least, by international bodies who consider the action of our Government rather cynical in view of its fight against other governments who seem to treat the Jews in a similar way.

G.P. TAUSSIG
Herzliya.

INFLATION

To the Editor of The Jerusalem Post

Sir, — On March 24, Meir Merhav asked in an article: "Who's afraid of inflation?" — well, I am. He states that "no one at present is interested in any abatement of inflation." I am. He adds "no one shouts a protest from the rooftops." I do.

History has shown that inflation is the great destroyer of organized societies. Since Israel has been experiencing rampant inflation, we must begin to question if our economy and our whole social structure can survive.

It is unfortunate that inflation has the support of the majority of Israelis. They are unaware that the Government's unsound monetary practices are largely responsible for today's economic stagnation, decreased aliyah and increased yerdia. Our money managers do not display simple notions of responsibility and integrity, since they continue the inflation process to appease the population and keep themselves in power.

It is evident that the next government, whichever party will lead it, will further expand the money supply to avoid the difficulties of a clean-up period that would bring prosperity.

Jerusalem.

ROBERTA RUOT

PRAYING IN ISRAEL

To the Editor of The Jerusalem Post

Sir, — Gloria Deutsch ("Synagogue-going in Eretz Yisrael") (April 5) has clearly misunderstood the meaning of praying. Praying is a conversation between the praying person and God and just as we are allowed to pray alone, it should be equally unimportant how other people are praying, how the synagogue is built or painted, and whether the *hazan* has a good voice.

In Israel, instead of praying for the Queen or the President, we pray for our soldiers defending us at the frontiers.

The Israeli Jews attach less importance to the outer forms because they understand the content of the prayers, and no Israeli will become religious because of a beautiful synagogue or a good *hazan*.

YONNA COHN (Age 16)
Jerusalem.

Foreign currency is precious

By David Krivine

THE RABIN affair has focused attention on the complex laws and loopholes of our foreign exchange controls.

According to the law, all foreign currency accruing to Israeli residents must be brought back to this country and sold to the Minister of Finance.

It means that an Israeli is not permitted to retain ownership of foreign specie, whether in a bank account or under his mattress in Israel. The reasons are two. Foreign currency is a precious commodity. It must be made available for use according to the national priorities.

The second reason is that demand exceeds supply. There is a widespread desire to acquire foreign currency, sometimes for almost irrational reasons, such as the desire to buy a Mercedes or a DeSoto. A more serious purpose is to supplement the meagre foreign travel allowance. The \$450 per person per trip was once a tolerable allocation; it is tolerable no longer, with prices as they are overseas. The number of Israeli holiday-makers trying to smuggle a bit more out of the country in one way or another is legion.

I say "holiday-makers" because people on business trips, or officials on a mission for the Government, or individuals in need of medical treatment, or students registered at foreign universities (the list of special cases is endless) are allowed a larger sum, calculated *per diem*.

QUITE A LOT of people are officially permitted to hold a bank account in another country. One category, of course, is the foreign tourists, even those who spend six months per annum here. Another is new immigrants during their first ten years in Israel. Yet another is Israelis working in a foreign country, whether as a diplomat or in any other position. Firms having a branch abroad — a subsidiary or sales office — can keep there whatever cash they earn in that country, more or less at their discretion.

And that is not all. Suppose an Israeli resident possesses an asset abroad which cannot conveniently be transferred to Israel. He may have been bequeathed part of a business, a plot of land or a family business, which cannot be broken up except at a loss. He is entitled to keep that asset, he does not have to sell it to the Minister of Finance. "We are not unreasonable," says the Controller of Foreign Exchange, Dov Kanterovich.

But the owner of the asset must declare it, and receive formal permission to hold it — and he must reiterate all the profit, interest or dividends he receives from it year by year.

Why should the Israeli be reluctant to give up foreign currency in return for Israeli pounds? Well, the exchange-rate is discouraging, for a start. Practically the only private person who has to content himself with the official value of the Israeli pound nowadays is the Israeli resident repatriating funds. Even tourists get a bonus in hotels and restaurants, if they pay in dollars.

THIS IS ONE REASON why exchange controls are not dismantled. The multiplicity of exchange-rates, designed to subsidize a little here and "tax" a little there, would have to be replaced by a single standard exchange-rate, valid for all purposes.

There will be possible one day, and Israel, like many other countries in a similar situation, is moving in the requisite direction. It will even be

possible then to let the currency "float," instead of having its value fixed arbitrarily by Government fiat.

But full de-control cannot happen until the Israel pound has hardened enough to stand up to the swings and buffets of the open market. It is not feasible to let the country's dollars go where they please, as long as the entire foreign-exchange reserves at the disposal of the economy amount to little more than one-third of the trade gap accumulated every 12 months.

It must be said, in all fairness, that the Israel pound itself is not any more a disastrous currency to hold. Foreign currencies, even the best of them, depreciate. Not as much as the Israel pound; but then it is possible to invest the Israel pound in linked securities, which are as good a hedge against inflation as greenbacks.

APART FROM THAT, a great deal can be done with Israeli money. There is no ban on imports, with certain very particular exceptions (non-kosher food, chiefly). It is possible to buy in Israeli shops clothes, foodstuffs, perfumes, household durables, cars — from all over the world.

If a pampered individual wants a very special gold-studded TV set only available in a certain shop in Detroit or Duesseldorf, he can apply for a "personal import" licence at the local office of the Ministry of Commerce and Industry.

It is given automatically. He proceeds to the bank, which opens a letter of credit in his favour, and then he can order the desired TV set from whatever supplier he pleases.

He will have, of course — and there is the catch — to pay customs and sales tax and value added tax; which suggests another reason for having a bank account abroad. It is possible to evade fiscal obligations. Income tax is saved by exporters who can get away with "under-facturing" their foreign sales. A firm can sell a consignment of goods for \$120,000, pretend they sold it for \$100,000 — and ask away the balance in a numbered account in Switzerland, tax free.

BUT THIS IS risky, and a grave breach of the law. Ducking the payment of indirect taxes is a more popular activity. Buying clothes abroad, for example, is more convenient than ordering the particular suit or dress by mail, with all the attendant complications; it is also cheaper. The customs officer in Lod will not quarrel with the returning traveller over a few by now part-used garments or other personal items.

There is consequently always some advantage in possessing a small nest-egg somewhere outside Israel, if only for a bit of pocket-money in time of need. The authorities claim that foreign exchange is available for every legitimate purpose. But official controls have made it rather scarce, rather inconvenient to get hold of — and also rather expensive to acquire.

Thus Israelis are officially authorized to secure the wherewithal even for such a way-out objective as purchasing foreign securities. The trouble is, they have to pay a premium. The premium on Natad dollar was priced at IL1.62 last Tuesday. The black-market dollar was IL1.75 on that day, which is less — and tempting.

Even the foreign travel allowance

has become as dear as gold. Sometimes dearer than the dollar. Its price on Monday, including the new 15 per cent charge and bank fees, came to IL40.73. On that day dollar bills, being traded by the money-changers in the Old City and Lilienblum for IL40.70.

ALL THIS INDUCES responsible citizens, who would not dream of buying dollars surreptitiously on the street, to think twice before parting with any dollars that may be theirs, or quasi-legitimately fallen into their laps. The Rabins did not buy dollars, they owned them and they kept them in the bank — legally too — so long as they remained in Washington. After they left they should have closed the account within the stipulated period of six months. By not doing that they committed, in the eyes of the two foreign-currency derelictions. The more serious ones would be to buy dollars with Israeli money, when to open an account abroad that ends in the legal from the beginning. That one they were not their offence.

The charge against Lea Rabin is that she went on spending her money abroad after she had become a resident under the foreign currency regulations, to sell it all to her husband's colleague, the Minister of Finance.

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